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Investigating the Drivers, Measures and Consequences of Customer Online Social Experience

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DECLARATION

To the best of my knowledge and belief, this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

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ABBREVIATIONS

α	Cronbach's alpha
χ^2	Chi-square
24/7	24 hours a day, seven days a week
4Ps	Product, price, place and promotion
AVE	Average variance extracted
B2B	Business-to-business
B2C	Business-to-customer
C2C	Customer-to-customer
CFA	Confirmatory factor analysis
CFI	Comparative fit index
COSE	Customer online social experience
df	Degrees of freedom
EFA	Exploratory factor analysis
e-WOM	Electronic word-of-mouth communication
GFI	Goodness-of-fit index
IT	Information technology
KMO	Kaiser–Meyer–Olkin
NFI	Normed fit index
NNFI	Non-normed fit index
OCE	Online customer experience
OCM	Omni-channel management
PAD	Pleasure, arousal and dominance
PCA	Principal components analysis
RMSEA	Root mean square error of approximation
RO	Research objective
RQ	Research question
SBC	Self-brand connection
SD	Standard deviation
SEM	Structural equation modelling
Sig	Significance
SME	Small or medium-sized enterprise

ABSTRACT

This research investigates the rarely explored topic of 'customer online social experience'. Despite the importance of social networking sites and customers' increased tendency to use different social cues during online shopping, the existing online customer experience (OCE) research largely ignores the relevance of the social aspect in its conceptual domain. Using social presence theory and social response theory as the key theoretical underpinnings, this research introduces the construct, customer online social experience (COSE), to the extant literature by defining the concept; identifying its conceptual domain, dimensions and drivers; developing its measures; and examining its effects on customer repurchase and referral behaviour.

This research comprises two successive studies using a mixed-methods research approach. Study 1 (based on qualitative enquiry using in-depth interviews) ascertains the importance of customer online social experience (COSE) and outlines the conceptual scope of the construct. Thirty (30) narratives revealed from 24 in-depth interview transcripts were analysed thematically in this study. The results revealed that omni-channel management (OCM) is one of the key antecedents of customer online social experience (COSE). Study 1 also shows evidence that COSE involves two key components: (i) customers' desire to receive virtual assistance during their online shopping as they would usually receive from salespeople in the offline context; and (ii) customers' tendency to be associated with others in their social network while shopping online. Thus, Study 1 lays the foundation to proceed to Study 2 where the measures for COSE and OCM are developed, tested and validated.

Following Churchill (1979), Study 2 comprises eight steps of the scale development procedures. In Step 1, the constructs' domains were discussed and then a pool of items was generated (Step 2) for COSE (46 items) and OCM (31 items). The items were reviewed by academic and industry experts for face and content validity. In Steps 3, the retained items were purified through a survey conducted among 124 student respondents and using exploratory factor analysis (EFA) as a statistical tool. In Step 4 a second-round survey was conducted among 204 respondents and the retained items were further purified and refined using confirmatory factor analysis

(CFA) (Step 5). The OCM and COSE scales were then validated for their convergent and discriminant validity (Steps 6 and 7). Finally, in Step 8, the items retained previously were tested for their predictive and nomological validity through a third-round survey (an online survey) conducted among the 308 respondents of the Australian customer panels. Several hypotheses were tested in the final step (using structural equation modelling [SEM]) to validate both COSE and OCM scales, with OCM found to have a positive impact on COSE which eventually influences customer repurchase and referral behaviour. Study 2's results further revealed that self-brand connection moderates the COSE and OCM relationship.

This research contributes to the body of knowledge on online customer experience by focusing on two constructs: customer online social experience (COSE) and online omni-channel management (OCM) in the extant literature, developing and validating their measures. The findings offer significant managerial implications as they indicate how to offer a virtual social experience to customers and, thus, how to influence customers' repurchase and referral behaviour. Therefore, this research plays a pioneering role in examining the social aspect of online customer experience.

CHAPTER 1

INTRODUCTION

"The future of communicating with customers rests in engaging with them through every possible channel: phone, email, chat, Web, and social networks. Customers are discussing a company's products and brand in real time. Companies need to join the conversation."

Marc Benioff, Salesforce CEO

1.0 Research Background

Customer experience has received considerable academic attention due to its influence on companies' performance in terms of customer loyalty (Berry, Carbone, & Haeckel, 2002), repeat purchase (Baker, Parasuraman, Grewal, & Voss, 2002), referrals (Meyer & Schwager, 2007) and share-of-wallet (Grewal, Levy, & Kumar, 2009). It is the subjective response that customers have due to any interaction with the company across the entire purchase process (Carbon & Haeckel, 1994; Gentile, Spiller, & Noci, 2007; Lemke, Clark, & Wilson, 2011). Customer experience has been studied both offline (Verhoef et al., 2009; Gentile et al., 2007) and online (Rose, Clark, Samouel, & Hair, 2012; Novak, Hoffman, & Yung, 2000) across various business contexts including retail, service delivery, tourism and consumer marketing (Bonnin, 2006; Tsai, 2005; Arnold, Reynolds, Ponder, & Lueg, 2005). It is influenced by factors controlled by the company (e.g. store environment, service encounter, advertising) (Baker, Parasuraman, Grewal, & Voss, 2002) as well as by factors not under the company's control such as customers' shopping motivations (Kaltcheva & Weitz, 2006), self-congruity (Sirgy, Lee, Johar, & Tidwell, 2008) and the influence of other customers (Verhoef et al., 2009). Managing customer experience across the customer purchase process involves numerous touch points such as atmospheric, technological, communicative, process, employee–customer interaction, customer–customer interaction and product interaction that are critical for the marketing success of companies (Lemon & Verhoef, 2016; Stein & Ramaseshan, 2016).

Although customer experience has been widely researched in the offline context, online customer experience (OCE) has only received attention from academics and

practitioners in recent times (Rose, Hair, & Clark, 2011; Grewal et al., 2009). Online customer experience (OCE) is the psychological, cognitive and affective state of mind experienced by customers following exposure to a company's website (Rose et al., 2012; Gentile et al., 2007; Meyer & Schwager, 2007; Frow & Payne, 2007; Novak et al., 2000). However, customers' online purchases involve different online channels other than the company's website. For example, customers use different social networking sites, online review sites, mobile applications and blogs in different devices such as mobiles, laptops and tablets during their online purchase journey (Piotrowicz & Cuthbertson, 2014). Therefore, it is important for companies to ensure smooth integration of all the different online channels (Herhausen et al., 2015; Montoya-Weiss, Voss, & Grewal, 2003) and offer a positive online customer experience across these channels (Grewal et al., 2009). Consequently, recent literature indicates that more study is warranted on online customer experience to further expand the knowledge in this emerging area of interest (Rose et al., 2012; Verhoef et al., 2009).

1.1 Research Problem

The online retail landscape has been significantly influenced by the gradual development of the second and third generation web (Web 2.0 and Web 3.0). Web 2.0, using social media as a channel, enables a two-way interaction between a company and its customers (Lim, Hwang, Kim, & Biocca, 2015). As customers are also using mobile devices during their purchase, companies must accommodate this trend by allowing customers to access them across different devices and different channels (social media, mobile applications, online communities, etc.) to enhance customer engagement (De Valck, Van Bruggenm, & Wierenga, 2009). These online channels allow companies to engage, create, share and collaborate with their customers and employees (Rapp et al., 2013). On the other hand, Web 3.0 focuses on the humanization of the Internet, for example, the use of artificial intelligence such as live chat, a virtual tour of the store, use of avatars and creating virtual shopping malls on companies' websites and other relevant online channels (Garrigos-Simon, Lapiedra Alcami, & Barbera Ribera, 2012; Hennig-Thurau et al., 2010; Wuyts et al., 2010). This evolution has enabled real-time interaction and exchange of information as well as the convenience of purchase to customers (Balasubramanian, Peterson, & Jarvenpaa, 2002). Artificial intelligence with its live chats, avatars play a pioneering

role to provide real-time personal service to online shoppers, enhancing customers' purchase intention and e-loyalty on the online platform (Cyr, Hassanein, Head, & Ivanov, 2007; Wang, Baker, Wagner, & Wakefield, 2007). This humanization of the Internet and the development of the new retail landscape provide a unique online experience to customers.

The phenomenon of OCE has been conceptualised in the existing research based on two key dimensions, namely, cognitive and affective experience (Rose et al., 2012; Lemke et al., 2011; Wang, Hernandez, Minor, 2010; Novak et al., 2000). Cognitive experience relates to the customer's mental processing of their navigation on a company's website while affective experience focuses on the emotions encountered through exposure to a company's website. Due to the prevalence of social media and the humanization of the Internet, the OCE may involve an aspect other than the cognitive and affective dimensions. Rose et al. (2011) suggested that, to have a comprehensive understanding of OCE, future research should incorporate the role of virtual communities and other communication interfaces as the current literature is limited in linking OCE to a company's online channels. In addition, it is argued that customers' experience goes beyond mere cognition and emotion as they virtually socialize with other fellow customers (Baldus, Voorhees, & Calantone, 2015) and interact with employees through different social cues, such as live chat bots (Wang et al., 2007). Wang et al. (2007) also concurred with this argument and pointed out that, due to the growth of artificial intelligence, computers can think and interact like humans with humans through virtual cues. Moon, Sung and Choi's (2010) study outlined that the evocation of a social experience online through interpersonal interaction can facilitate the customer's shopping journey. Rose and colleagues (Rose et al., 2012; Rose et al., 2011) considered customers' connectedness (the ability to share knowledge with others in the virtual community) as one of the drivers of customers' affective experiential state but did not explore the social aspect of this experience. The social aspect of OCE (named as customer online social experience [COSE]) could be influenced by a company's presence across various online channels (other than its website) such as social media, online communities, blogs and review sites all of which facilitate virtual interactions between employee and customer and from customer-to-customer. Despite the growth of online companies'

interests and efforts towards a humanized technology, studies to date have not explicitly explored the social aspect of online customer experience.

In addition, as previously mentioned in Section 1.0, it is important for companies to ensure smooth integration across their different online channels (Herhausen et al., 2015). Companies that offer retail mobility across various online channels are termed 'omni-channel retailers', a concept that has only begun to receive academic attention recently (Ailawadi & Farris, 2017; Verhoef, Kannan, Inman, 2015). The term 'omni-channel' is considered to be the integration of all the channels used by a retailer to ensure an optimized experience for customers across these channels (Verhoef et al., 2015; Fulgoni, 2014). Customers are seamlessly using various social media (Facebook, Pinterest, Twitter, Linkedin, YouTube, Google+), mobile applications, blogs and websites in multiple devices (desktop or laptop to mobile handset or iPad) during their online purchase journey (Fulgoni, 2014; Rapp et al., 2013; Stelzner, 2011). For this reason, companies, to interact with their customers, are constantly adding their presence across various online channels (Verhoef et al., 2015) which is likely to offer positive experiences to their customers.

Existing studies relating to the importance of a company's online channels predominantly focus on one channel, for example, the company's website (Rapp et al., 2013; Rose et al., 2012; Wang et al., 2010), disregarding the fact that OCE may be influenced by the dynamics in using various online channels across different media for a single online purchase. Moreover, ensuring integration of the online channels across different devices is the precursor of a rewarding OCE as customers usually expect to receive a seamless experience when moving from one online channel to another across the devices (Brodie, Ilic, Juric & Hollebeek, 2013; Agatz, Fleischmann, & Van Nunen, 2008). However, research focusing on the integration between different online channels is almost non-existent. Prior research on OCE has primarily considered the company's website to measure OCE and has not considered customer experience across other online channels (Wang et al., 2007; Rose et al., 2012; 2011). Research has focused on multi-channel and cross-channel retailing but has limited views on omni-channel retailing and its impact on customer experience especially in the online context (Zhang et al., 2010; Berry et al., 2010; Verhoef et al., 2015). A recent conceptual paper by Verhoef et al. (2015) clearly acknowledged the

importance of omni-channel management (OCM) for companies and urged that future research be undertaken in this area. While it is evident from the above that future research is warranted to investigate the social aspect of OCE and omni-channel management (OCM) [1], these key concepts are both under-investigated and no scales are available in the extant literature to measure these two concepts.

In addition, present studies have primarily considered customer attitudinal intentions (e.g. repurchase intentions, recommendation intentions) as the consequences of online customer experience (OCE) (Rose et al., 2012; Ha, Janda, & Muthaly, 2010; Khalifa & Liu, 2007; Overby & Lee, 2006). However, customer intentions may not always lead to customers' actual behaviour (de Matos & Rossi, 2008; Kumar, Petersen, & Leone, 2007). This research considers customer behavioural outcomes in terms of customer repurchase intention and referral behaviour as the consequences of COSE and thus aims to examine the effects of COSE on repurchase intention and referral behaviour.

Furthermore, past research has shown that OCE is influenced by the extent to which the company is congruent with customers' self-concepts (Chang, 2012; Kang, Hong, & Lee, 2009). Studies have also shown that, in the online environment, shoppers engage with company's online channels including social media and online communities if they feel a sense of connection with the company and its online shoppers (Baldus et al., 2015; Mazodier & Merunka, 2012, Escalas, 2004). Such feeling of connection is termed as 'self-brand connection', which is defined as 'the the extent to which individuals have incorporated brands into their self-concept' (Escalas, 2003, p.340). Previous studies have used the SBC concept for studies relating to customer engagement in virtual communities (Hollebeek, Glynn, Brodie, 2014; Van Doorn et al., 2010) but have not examined the role of SBC on online customer experience (OCE). As customers can interact and build relationships with the company and its other online shoppers across various online channels, it is worth investigating the role of SBC on the COSE and OCM relationship.

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[1] 'The research focuses on 'omni-channel management' (OCM) in online context.

In summary, the fundamental problem that this research aims to explore is how to conceptualise customer online social experience (COSE) in terms of its dimensions, drivers, measures and consequences. The study also explores online omni-channel management (OCM) and examines the effects of OCM on COSE, while also exploring the role of SBC on the link between COSE and OCM.

1.2 Research Questions and Objectives

The research problems addressed in this study are mentioned earlier in Section 1.1. In this section, the research problems are redefined into research questions and objectives as they influence the remaining steps of this research (Hair, Bush & Ortinau, 2006). Accordingly, the following research questions (RQs) are investigated:

RQ1: How can we conceptualise customer online social experience (COSE)?

RQ2: What are the factors that may influence COSE?

RQ3: What are the consequences of COSE?

Research objectives (ROs) are developed as follows to address the major research questions:

RO1: Define COSE and identify its dimensions.

RO2: Develop a scale for measuring COSE.

RO3: Conceptualise omni-channel management (OCM) in the online context and develop a scale to measure OCM.

RO4: Validate the the OCM scale by examining the effects of OCM on COSE.

RO5: Validate the COSE scale by examining the effects of COSE on customer behaviour.

RO6: Explore the role of SBC on the link between OCM and COSE.

1.3 Methodology

Two studies, Study 1 and Study 2, were conducted to address the above research questions and objectives, using both qualitative and quantitative research. In Study 1,

a qualitative research method was used to explore the social dimension of customer experience and omni-channel in the online environment. The data for Study 1 were driven by 30 narratives (from 24 in-depth interviews) to underpin COSE and OCM and their components. The narratives retrieved from the in-depth interviews were analysed through deductive thematic analysis. This analysis revealed the potential dimensions of COSE, the drivers leading to this experience and its consequences. Study 1 also unveiled online omni-channel management (OCM) as COSE's key driver. The quantitative research method was pursued in Study 2, where the scale for measuring COSE and OCM were developed following the scale development procedures suggested by Churchill (1979). In doing so, relevant analyses were conducted to test the psychometric properties of the two constructs (COSE and OCM) and their interrelationships. The effects of COSE on customer behaviour and the role of SBC on the link between OCM and COSE were also examined.

Next, a schematic view of the study is shown below.

1.4 Schematic View of the Research

The schematic view of this research is shown in Figure 1.1.

Research Question 1	Research Question 2	Research Question 3
How can we conceptualise customer online social experience (COSE)?	What are the factors that may influence COSE?	What are the consequences of COSE?

Research Objectives

RO1: Define COSE and identify its dimensions.

RO2: Develop a scale for measuring COSE.

RO3: Conceptualise omni-channel management (OCM) in the online context and develop a scale to measure OCM.

RO4: Validate the the OCM scale by examining the effects of OCM on COSE.

RO5: Validate the COSE scale by examining the effects of COSE on customer behaviour.

RO6: Explore the role of SBC on the link between OCM and COSE.

Literature Review [Chapter 2]

STUDY 1 [Chapter 3]	[Chapter 4]	**STUDY 2** [Chapter 5] Scale development process

Qualitative in-depth interviews

Conceptual boundaries of COSE and OCM

Thematic analysis of the interviews

Identification and definition of COSE and OCM

Theoretical underpinnings and hypotheses development

[Chapter 6]
Discussion of findings, research contributions, limitations and future directions

Figure 1.1: Schematic view of the research

1.5 Research Significance

This research has significant theoretical, methodological and managerial implications. From a theoretical perspective, this research extends the body of knowledge on OCE by conceptualising its social aspect (e.g. COSE). It offers a definition of COSE and unveils its dimensions: it also shows empirical evidence that COSE positively influences the repurchase intention and referral behaviour of customers. This study also contributes to the online retailing literature by exploring the concept of omni-channel management (OCM) online and identifying its dimensions. Furthermore, this research's findings show that OCM positively influences COSE and that these effects are positively moderated by customers' self-brand connection (SBC). Thus, this research provides a better understanding of the concept of COSE, its dimensions, drivers and consequences.

From a methodological standpoint, this research offers key contributions by putting forward two new psychometrically robust scales to measure COSE and online omni-channel management (OCM). Future research endeavours can make use of these measures when assessing companies' online performance.

In relation to its practical significance, this research offers a better understanding of the social aspect of OCE to managers and emphasizes the social interactions in online channels (customer-to-customer interaction [C2C] and business-to-customer [B2C] interaction) and the consequences of online implementation of these social actors (such as live chats, avatars). This understanding will enable managers to identify the key issues experienced by customers while shopping online and how to address these issues. Proper knowledge of how to enhance customers' online social experience will also enable managers to improve customer repurchase intention and referral behaviour. In addition, understanding the importance of the social aspect of OCE and of the integration of their online channels can help companies to avoid the spread of negative word of mouth that can undermine a company's credibility particularly on social media platforms.

1.6 Chapter Summary and Thesis Structure

This research is developed primarily to explore the social dimension of OCE and its impact on customer repurchase intention and referral behaviour. This research also aims to investigate the concept of online omni-channel management (OCM). The research comprises two successive studies, with the thesis presented in six chapters. An overview of the thesis chapters is next presented.

The introductory chapter (Chapter 1) of this thesis outlines the background of the research and identifies the pertinent research problem in the OCE and OCM literature. Chapter 1 next presents the research questions and objectives. The research methodology and significance are discussed from theoretical, methodological and managerial standpoints. The chapter also presents a schematic view of the research.

Chapter 2 presents an exhaustive literature review of the customer experience literature (online and offline contexts) to gain an in-depth understanding of the relevant literature to identify the theoretical and methodological gaps from which the direction of the current research was proposed. The chapter begins with a discussion on the roots of customer experience and its differentiation from other marketing constructs and streams within the literature. Chapter 2 also provides clarification of the 'customer experience' construct by highlighting its various definitions, conceptualisations and dimensions across both the offline and online contexts. This chapter also outlines the recent emergence of the social aspect of OCE and the importance of OCM for online companies. The chapter concludes with identification of the theoretical and methodological gaps in the OCE literature which are used to justify the purpose of this research.

Chapter 3 is used to present and discuss Study 1 which was conducted to conceptualise the OCE's social aspect and online omni-channel management (OCM). Narratives from the in-depth interviews are examined using a deductive thematic analysis to understand the components of, the drivers for and the consequences of COSE and to reveal the components of online omni-channel management (OCM). Study 1 provides solid grounds for conducting Study 2 which aims primarily to develop and validate the COSE and OCM scales and their interrelationships.

Chapter 4 outlines the theoretical underpinnings from the pertinent literature enabling an understanding to be gained of the conceptual boundaries of COSE and online omni-channel management (OCM). The hypotheses and conceptual framework of the research are outlined in this chapter.

Chapter 5 discusses the details of Study 2. The chapter outlines the steps undertaken to develop the COSE and OCM measurement scales. The scale development followed existing scale development procedures and comprised eight steps implemented across three samples. Study 2 also examined the interrelationships between COSE and OCM and tested the moderating effect of SBC on these relationships. The chapter also discusses the survey administration and its relevant aspects such as sampling concerns and the statistical analyses used.

In Chapter 6, firstly, a discussion of the research key findings from Study 1 and Study 2 is presented, with support from the existing literature shown. Secondly, the chapter presents the theoretical, methodological and managerial implications and contributions of the research. Finally, the chapter concludes with a discussion of the limitations of this research and suggestions for further research avenues.

CHAPTER 2
LITERATURE REVIEW

2.0 Introduction

The purpose of this chapter is to provide an exhaustive review of the existing literature in the field of customer experience and online customer experience (OCE). Firstly, the chapter elaborates on customer experience, its origin, concepts relevant to customer experience, and its definitions. Secondly, a comparison of customer experience in both offline and online contexts is provided by focusing on the theoretical approaches, the definitions and the dimensions of each context. The drivers, consequences and moderators of customer experience are also discussed. Thirdly, a critical review of the pertinent literature on OCE is conducted, highlighting the dimensions, antecedents to and consequences of online customer experience (OCE). Following this, the chapter focuses on OCE's moderating factors. Next, significant gaps in the existing OCE literature are identified, followed by a discussion on the motivations behind this research.

2.1 Origin of Customer Experience

"Customers always have an experience—good, bad or indifferent—whenever they purchase a product or service from a company" (Berry et al., 2002, p. 88). Customer experience as a phenomenon can be traced back to the marketing literature of the 1940s where it was linked to the individual's consumption experience (Norris, 1941). During the 1950s, Abbott (1955) and Alderson (1957) argued that the individual's desire is clearly not only based on products but rather on achieving satisfying experiences. However, it was only in the 1980s through the mainstream literature on customer behaviour that the concept of customer experience started to gain recognition from a theoretical perspective and was perceived as a new experiential approach to customer behaviour (Holbrook & Hirschman, 1982). More precisely, the research of Thompson, Locander and Pollio (1989) and Holbrook and Hirschman (1982) emphasized the importance of emotions in customers' decision-making process and experience. Despite this initial theoretical recognition, the concept of customer experience only came to the fore with two key bodies of work, firstly, a

study conducted by Holbrook and Hirschman in 1982 that described customer experience as an experiential perception of customer consumption and hedonic experience. Secondly, the release of Pine and Gilmore's book in 1999 titled *The Experience Economy – Work is Theatre and Every Business a Stage* portrayed customer experience as a new economic offering following the phase of commodities, goods and services. "A new, emerging economy is coming to the fore, one based on a distinct kind of economic output; goods and services are no longer enough" was a clear statement advanced by Pine and Gilmore (1999, p. 11). This statement led to the occurrence of a new economy termed the 'emergence economy' in which the experience is perceived as creating economic value for both companies and customers. Due to the rise in competition across industries, products and services are now being categorised as commodities. Thus, companies with a leading competitive advantage in markets will differentiate themselves by promoting experiences to their customers.

After the introduction of the customer experience phenomenon in the literature, researchers and practitioners focused on customer experience as a lever to incite value for companies and customers, hence, moving from the traditional marketing strategy of promoting 'features and benefits' towards ensuring experiential marketing (Prahalad & Ramasawmy, 2004; Addis & Holbrook, 2001; Schmitt, 1999).

2.1.1 Traditional marketing vs. experiential marketing

Traditional and experiential marketing are two important schools of marketing thought. Traditional marketing refers to many forms of advertising and marketing that have been used conventionally for a long period such as printing, broadcasting, direct mail and telephone communication. It tries to persuade potential customers by displaying features and benefits of a product or service (Schmitt, 1999). This marketing approach involves more cognitive methods and relies on repetition to facilitate customer memory (Schmitt, 1999). However, companies today are more focused on promoting positive experiences to their customers rather than only focusing on their traditional strategy of 'features-and-benefits' (Goode, Dahl, & Moreau, 2010). Through experiential marketing, companies need to ensure that customers are completely emotionally immersed with all facets of their experience. Based on the experiential marketing context, customers will be viewed as "rational

and emotional human beings who are concerned with achieving pleasurable experiences" (Schmitt, 1999, p. 53). Experiential marketing appeals directly to the senses through touch, sound, smell, taste and sight. It plays on the emotions of a customer and is a more efficient way to influence them (Schmitt, 1999).

Marketers have started to look for a more robust marketing mix (with the 4Ps: product, price, place and promotion) and focusing on various touch points that enable the creation of connections between brand and consumer. These connections are now formed by experiences that are personally unique, interactive and relevant to the customer (Tsai, 2005). Therefore, a conjunction of traditional marketing and experiential marketing is beneficial for companies as customers can be rationally and emotionally driven (Schmitt, 1999; Holbrook & Hirschman, 1982).

2.1.2 Experiential marketing

As outlined previously, customer experience first gained its theoretical recognition in the marketing literature through the work of Holbrook and Hirschman (1982) which extends the view that customers' perceptions are not only rational while making decisions but also takes their emotions into account. These researchers highlighted that previous studies in the customer behaviour research mainstream had ignored one aspect of customers' consumption, their 'experience' (Holbrook & Hirschman, 1982). In the 1980s, experiential theorists such as Holbrook and Hirschman (1982) and Thompson et al. (1989) advanced the understanding that human behaviour cannot solely rely on a narrowly focused and simplistic framework or model as customer behaviour is based on multidimensional interactions derived from various mechanisms and environments. Holbrook and Hirschman's (1982) study also confirmed that customers are now looking for entertainment, pleasure and fun during their consumption process and are not only focusing on goal-directed consumption. This shift placed emphasis on the change of customer behaviour which, in turn, leads customers to take and expect an experiential view of consumption. Holbrook and Hirschman (1982, p. 132) described the phenomenon of consumption as "a primarily subjective state of consciousness with a variety of symbolic meanings, hedonic responses, and aesthetics criteria".

Following this initial work, many studies were conducted investigating the consumption of individuals' hedonic experiences such as skydiving (Celsi, Rose, & Leigh, 1993) and shopping activities (Babin, Darden, & Griffin, 1994). The importance of experiential marketing became more prominent with the growth of companies promoting the 'good' purchased as actually being an experience rather than a physical item (Campbell, 1995).

2.2 Customer Experience

2.2.1 Customer experience defined

The existing literature on marketing, services, retailing and customer behaviour has developed many definitions of customer experience. For example, Gentile et al. (2007) referred to customer experience as the internal and subjective response customers have to any direct or indirect contact with a company and that it requires customers' involvement at different stages. Thus, customer experience can be derived from customers' interactions either direct or indirect at different touch points (Meyer & Schwager, 2007; Pine & Gilmore, 1999). A few authors have claimed that customer experience is controlled and shaped by the company through its direct interaction with customers (Tynan & McKechnie, 2009; Pine & Gilmore, 1999; Carbone & Haeckel, 1994). Other authors have argued that customer experience is built over time and is based on customers' assessments of their interactions with the company across their 'purchase journey' (Lemke et al., 2011; Verhoef et al., 2009). The cumulative impact occurring from customers' interactions with the company or its products and services is implicitly holistic in nature and has also been found to be subjective and personal (Meyer & Shwager, 2007; Harris, Harris, & Baron, 2003; Addis & Holbrook, 2001; Schmitt, 1999; Carbone & Haeckel, 1994). Researchers have suggested a broader view of customer experience by considering that any service exchange can lead to customer experience (Schmitt, Brakus, & Zarantonello, 2015). Schmitt (1999) advanced a multidimensional approach to customer experience by identifying five types of experiences: affective, cognitive, sensory, social-identity and physical. This idea is supported by Verhoef et al.'s (2009) study which clearly outlines that customer experience is holistic and multidimensional with cognitive, social, affective, emotional and physical components. The key definitions of customer experience from the existing literature are outlined in Table 2.1.

Table 2.1: Summary of key definitions of customer experience

Authors	Definitions
Holbrook and Hirschman (1982)	"Personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed." (cited in Caru & Cova, 2003).
Carbone and Haeckel (1994, p. 9)	"The 'takeaway' impression formed by people's encounters with products, services, and businesses – a perception produced when humans consolidate sensory information."
Pine and Gilmore (1999, p. 12)	"Experiences are events that engage individuals in a personal way."
Shaw and Ivens (2002, p. 6)	"The customer experience is a blend of a company's physical performance and the emotions evoked, intuitively measured against customer expectations across all moments of contact."
Soudagar, Iyer and Hildebrand 2012, p. 3)	"The cumulated impact – both emotional and practical – of all the encounters and interactions that a customer has with a company."
Gentile, Spiller and Noci (2007, p. 397)	"The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual). Its evaluation depends on the comparison between a customer's expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points."
Meyer and Schwager (2007, p. 2)	"Encompassing every aspect of a company's offering – the quality of customer care, of course, but also advertising, packaging, product and service features, ease of use, and reliability. It is the internal and subjective response customers have to any direct or indirect contact with a company."
Verhoef et al. (2009, p. 32)	"The customer experience construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by elements that are outside of the retailer's control … the customer experience encompasses the total experience, including the search, purchase, consumption, and after-sale phases of the experience, and may involve multiple retail channels."
Tynan and McKechnie	"Consuming an experience can be viewed as a process that takes place across stages including pre-consumption, the purchase and

Authors	Definitions
(2009, p. 508)	core experiences, to the remembered consumption experience. The value created is both enabled and judged by customers throughout this consumption process and not merely at the point of exchange."
Zomerdijk and Voss (2010, p. 67)	"An experience occurs when a customer has any sensation or acquires knowledge from some level of interaction with the elements of a context created by a service provider."
Lemke, Clark, and Wilson (2011, p. 846)	"Customer experience is conceptualized as the customer's subjective response to the holistic direct and indirect encounter with the firm."
Watkinson (2013, p. 15).	"Customer experience is the qualitative aspect of any interaction that an individual has with a business, its products or services, at any point in time."
De Keyser et al. (2015, p. 23)	"Comprised of the cognitive, emotional, physical, sensorial, spiritual, and social elements that mark the customer's direct or indirect interaction with (an) other market actor(s)."
Lemon and Verhoef (2016, p. 70)	"Customer experience is a multidimensional construct focusing on a customer's cognitive, emotional, behavioural, sensorial, and social responses to a company's offerings during the customer's entire purchase journey."

Based on the previous arguments and definitions, it can be understood that customer experience as a construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by the elements which the retailer can control (e.g. service interface, retail atmosphere, assortment, price), but also by elements that are outside of the retailer's control (e.g. influence of others, purpose of shopping). It can be suggested that customer experience encompasses the total experience, including the search, purchase, consumption and after-sale phases of the experience, and may involve multiple retail channels (online and offline). This holistic conceptualisation of customer experience differs from most studies in the retailing literature that have focused on elements of the retail environment which are under the control of the retailer and on how these elements influence specific customer responses. One example is the paper by Baker et al. (2002) in which an extensive model was tested that considered the effects of several factors, such as price and assortment, on the perceived value of the store. Other literature on the retail experience has typically

focused on store atmospherics and the impact of scents, music, tactile input and colour on customers' affective responses to a retailer (for an overview, refer to Naylor, Kleiser, Baker, & Yorkston, 2008).

2.2.2 Perceptions of customer experience

Different insights of customer experience exist in the marketing literature; these perspectives can be combined into two broad approaches to explain the concept of customer experience: (i) economic approach and (ii) behavioural science approach. Renowned researchers who have followed an economic approach to the explanation of customer experience include Pine and Gilmore as well as Prahalad and Ramaswamy. Firstly, Pine and Gilmore (1999) argued that the experience-oriented perspective can be described as the hedonistic perspective of consumption and that it is important to consider all industries as most economies are currently moving from a service economy to an experience economy. Pine and Gilmore (1999) supported the experience economy theory as they were of the opinion that companies focusing on the experience economy are more likely to generate economic value by producing customer experience instead of those focusing on only raw materials, commodities and services to gain economic value. They viewed services and products solely as the facilitating means for creating a unique customer experience. These experiences themselves are perceived as an independent economic offer (Pine & Gilmore, 1999). Secondly, Prahalad and Ramasawmy's (2004) study extended the idea of economic value by adding their theory on the 'co-creation' of experiences focusing on joint value creation. From this theory, the customer also aids the improvement of the economic value through collaboration with the company. Prahalad and Ramasawmy (2004) also viewed customer experience from service-dominant logic (Vargo & Lusch, 2008) and 'value-in-use' perspectives whereby the customer jointly collaborates with the company to determine the value of the offering (Lemke, Clark, & Wilson, 2011; Tynan & McKechnie, 2009).

The behavioural science view focuses primarily on the computational theory of mind used by various researchers such as Brakus, Schmitt and Zarantonello (2009) and Schmitt (1999). This theory suggests that the human brain is formed by multiple specialised areas called 'mental modules' which enable individuals to experience their surroundings. Pinker (1997) is the key researcher who outlined the four

different mental modules of the human being: the relational module, the emotional module, the intellectual module and the perceptional module. Customers acquire a holistic experience after their personal interactions with a company are evaluated by their mental modules (Bruhn & Hadwich, 2012). Renowned researchers in the customer experience marketing literature such as Hilbrook and Hirschman (1982) have suggested that the hedonistic consumption state of customers is driven by their human desire to experience things. Other researchers have perceived customer experience as an outcome driven by a set of attributes and variables (e.g. Holloway, Wang, & Parish, 2005). In the marketing field, researchers such as Verhoef et al. (2009), Gentile et al. (2007) and Meyer and Schwager, (2007) have indicated that customer experience evaluations are based on customers' emotional responses while interacting with companies. Although scholars and practitioners have acknowledged that customer experience requires managerial attention, they are still inconclusive on both its definition and measures.

2.2.3 Customer experience as a distinct construct

The literature on marketing, retailing and service management historically has not considered customer experience as a separate construct and researchers have focused mainly on measuring customer satisfaction and service quality (e.g. Verhoef, Langerak, & Donkers, 2007; Parasuraman, Zeithaml, & Berry, 1988). However, it is not that customer experience has never been considered. Most notably, Holbrook and Hirschmann (1982) theorized that consumption has experiential aspects (see also Babin et al., 1994). Schmitt (1999) explored how companies create experiential marketing by having customers sense, feel, think, act and relate to a company and its brands. Berry et al. (2002) suggested that in order for organizations to compete by providing customers with satisfactory experience, they must orchestrate all the "clues" that people detect in the buying process.

In order to have a comprehensive understanding of customer experience as a construct, it is important to differentiate customer experience from other marketing and customer-centric constructs. The term 'customer experience' has been used interchangeably to explain satisfaction, service quality, customer engagement and customer affect resulting from customer interactions with companies and their offerings (e.g. McDougall & Levesque, 2000; Szymanski & Hise, 2000). Hence, as

misconceived views on customer experience are present within the marketing literature, in the following sections, customer experience is contrasted with and distinguished from various marketing constructs.

2.2.3.1 Customer experience vs. customer satisfaction

It is meaningful to distinguish customer experience from focused constructs such as customer satisfaction. Customer satisfaction is defined as the "customer's response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption" (Tse & Wilton, 1988, p. 204). While customer experience occurs at different stages of the purchase process, customer satisfaction is universally agreed to be only a post-purchase and post-use evaluation (Tse & Wilton, 1988; Oliver 1981). As clearly defined by Meyer and Schwager (2007, p. 2), customer satisfaction is "the culmination of a series of customer experiences or, one could say, the net result of the good ones minus the bad ones". It has been argued by previous studies that customer experience can lead to customer satisfaction based on customers' cognitive response to their experience (Rose et al., 2012). Hence, customer satisfaction can be measured once the customers have used the product or service offered by the company. In addition, both constructs are also conceptually distinct with customer satisfaction a unidimensional construct by nature as it can be assessed along a hedonic continuum from unfavourable to favourable (Westbrook & Oliver, 1991). On the other hand, customer experience is a multidimensional construct and can be assessed through different subjective and internal customer responses (Verhoef et al., 2009; Schmitt, 1999).

2.2.3.2 Customer experience vs. service quality

Previous research has advanced the view that service quality can influence customer experience (Mittal, Kumar & Tsiros, 1999). Customer-perceived quality is a measurement used to assess the direct interactions provided to customers during the service encounter (Lemke et al., 2011). However, customer experience includes all the direct and indirect interactions that a customer may face during their purchase journey with the company (Meyer & Schwager, 2007; Verhoef et al., 2009). The above arguments clearly indicate the conceptual difference between these two constructs.

2.2.3.3 Customer experience vs. customer engagement

Customer experience is often related to the emerging construct of customer engagement as customers interact with the company through a set of touch points across their 'purchase journey' and these interactions lead to customers' cognitive, emotional, sensorial, behavioural and social responses (Lemon & Verhoef, 2016; Verhoef et al., 2009). Customer engagement is considered as part of the overall customer experience as customers can be co-creators of their experiences (Lemon & Verhoef, 2016; Brodie, Hollebeek, Jurić, & Ilić, 2011). While customer engagement typically occurs at certain touch points such as the sale, customer experience focuses on the individual's impression about the brand/company as a result of all these encounters (Brodie et al., 2011; Verhoef et al., 2009). Customer experience is built throughout the customer journey, and includes every touch point within that journey, from the first moment of awareness to the end of the relationship with the brand (Lemon & Verhoef, 2016).

2.2.3.4 Customer experience vs. customer affect

Schmitt (1999) proposed a multidimensional view and identified five types of experiences: sensory (sense), affective (feel), cognitive (think), physical (act) and social-identity (relate) experiences. This opinion is supported by Verhoef et al.'s (2009) study that defined customer experience as a multidimensional construct within the retailing context that includes the customer's cognitive, affective, emotional, social and physical responses to a retailer's activities. Customer affect is considered as one component of customer experience that enables the construct to be captured alongside its other components (e.g. social, cognitive, physical, sensory, etc.).

Based on the previous discussion, customer experience is a construct distinct from customer satisfaction, service quality, customer engagement and customer affect (Maklan & Klaus, 2011; Lemke et al., 2011). The following sections outline the dimensions, antecedents and outcomes of customer experience following a review of the existing literature.

2.3 Dimensions of Customer Experience

This section identifies the key dimensions of customer experience. A considerable amount of research on customer experience has focused on investigating the conceptualisation and dimensions of customer experience.

Schmitt's (1999) study is considered as a key contribution to the customer experience literature by identifying the dimensions of customer experience. He identified five dimensions of customer experience by using insights from cognitive science and the psychological aspect of the mind's modularity. These five dimensions were: sensory experiences (sense), affective experiences (feel), creative cognitive experiences (think), physical experiences (act) and social experiences (relate).

In 2007, Gentile and colleagues extended Schmitt's (1999) work by proposing that the five dimensions, termed 'strategic experiential modules', be increased to six dimensions, referring to customer experience as a holistic phenomenon and adding a further component, namely, 'pragmatic'. These six components are now discussed. Firstly, the sensorial component focuses on the acceptance of stimuli which affects human senses. This component enables customers' pleasure, well-being, excitement and satisfaction through their senses such as sight, hearing, touching, tasting and smelling. Secondly, the emotional component relates to the affective system of the individual which evokes feelings, emotions and moods. An offering from the company or a brand can lead to a positive affective relationship with the customer. Thirdly, the cognitive component refers to individuals' intellect and mental processes. Customers can engage in cognitive thinking by reflecting on an offer. Common aspects driven by the customer during the cognitive state can include their creativity and problem-solving behaviour. Fourthly, the pragmatic component refers to customers' rational behaviour of using a product over the product life-cycle stages. Fifthly, the lifestyle component relates to the affirmation of the system of values and opinions of a customer. For example, an offering promoted by the company can share and meet the lifestyle and behaviour needs of its customers. Sixthly, the relational component, also called the social dimension, relates to an individual's

relationship with himself/herself, to other social actors and to their ideal self (Gentile et al., 2007).

In addition, other studies were conducted to conceptualise customer experience directly with brands, such as the work of Brakus et al. (2009) who suggested 'sensory', 'affective', 'behavioural' and 'intellectual' as dimensions of customer experience. Moreover, Verhoef et al. (2009) conducted an extensive research study to help to conceptualise customer experience. Following their review of the customer experience literature across different fields such as branding, retailing and services, they suggested that customer experience should not only focus on the cognitive and affective responses of customers but also include the social and physical dimensions. Verhoef et al. (2009) developed a conceptual model of customer experience creation with seven dimensions. The first dimension in this model is 'social environment' which focuses on customer-to-customer interactions, for instance, customers' interactions with other customers in the retail space, and interactions with family or friends shopping with the customer. The second dimension is the 'service interface': this dimension is different from the previous dimension as it relates to the interactions between the customer and company employees (e.g. retail staff, service personnel). 'Retail atmosphere' is the third dimension and includes the aspects of the brick-and-mortar store such as in-store music, colour of the interior, placement, etc. 'Assortment' as the fourth dimension represents the ability of the company to provide a wide range of different, unique and quality products. The fifth is the 'price dimension' which relates to all the benefits provided by the company such as loyalty programs, personalised promotions or customized offerings. As customer experience can occur across various channels, the sixth dimension relates to customer experience in 'alternative channels'. The seventh and last dimension of 'retail brand' takes into account that customers often buy products from one brand in the store of another brand; hence, the resulting experience is determined by the experience provided by both these brands. Referring to Lemon and Verhoef's (2016) study, customer experience is a multidimensional construct inclusive of dimensions based on customers' cognitive, behavioural, sensorial, emotional and social responses towards a company's offerings encountered during their purchase process.

2.3.1 Existing measures of customer experience

Scholars and practitioners have more recently proposed measures to assess the overall customer experience. As discussed earlier, Verhoef et al. (2009) proposed seven elements within a conceptual model of customer experience, with these elements to be considered in evaluating customer experience and including items related to the social environment, the service interface, to the retailer's brand and atmosphere. The research of Klaus and Maklan (2013) and Maklan and Klaus (2011) suggested 19 aspects in addition to the traditional service quality items to measure customer experience. Their measure of customer experience comprises four key dimensions: product experience, moments-of-truth, outcome focus and peace-of-mind. The 'product experience' refers to the importance of customers having choices in the offerings and being able to compare these offerings. The items for this dimension relate to customers' freedom of choice and being able to conduct cross-product comparison. The 'moments-of-truth' items focus on the service recovery process and the company's flexibility in handling issues. These items focus on the flexibility, interpersonal skills and service recovery of the company. The 'outcome focus' refers to the company's efforts to reduce customers' transaction cost and to understand their goal orientation. The items reflecting this outcome focus mainly on past experience, common grounding, the result and inertia. Lastly, 'the peace-of-mind' dimension evaluates customer–company interactions across the stages of the customer's purchase process and its scale items cover aspects such as expertise, ease of the process and familiarity. Previous authors have argued that these four dimensions of customer experience and their measurement items are distinct from the SERVQUAL measure (Parasuraman, Berry, & Zeithaml, 1991) as experience cannot be compared with expectations. As indicated by Maklan and Klaus (2011), one component of the service encounter can be assessed as 'good' in terms of its quality but the overall experience may be negative. Klaus and Maklan's (2013) work provides evidence that the customer experience's quality positively influences customer satisfaction, word of mouth and loyalty. Practitioners have also proposed measures to assess the customer voice and its impact on the customer's entire experience (Schmidt-Subramanian, 2014). Brakus et al.'s (2009) scale to measure brand experience comprises four aspects: affective, sensory, intellectual and behaviour. The previous scale attempts to investigate the relationships between brand

experience, brand personality, loyalty and satisfaction. Next, a discussion on the drivers, outcomes and moderators of customer experience is provided.

2.4 Drivers of Customer Experience

The body of research on marketing regarding customer experience has uncovered various drivers based on several contexts such as retailing and services. These drivers include brand performance (Clatworthy , 2012), multi-channel interaction (Neslin et al., 2006; Van Dolen et al., 2007); physical environment (Kaltcheva & Weitz, 2006); service interface (Baker et al., 2002); and additional external factors (Grewal, Levy, & Kumar, 2009; Brocato, Voorhees, & Baker, 2012). These drivers are discussed in detail below.

2.4.1 Brand performance

Clatworthy's (2012) study highlighted the significance of aligning customer experience to a company's brand. The author proposed a model that interconnects brand congruence, the experiential result and project team cohesiveness. Hellier, Geursen, Carr and Rickard's (2003) research also showed that customer satisfaction results from the level of contentment derived from their experience with a product or service.

2.4.2 Multi-channel interaction

Schmitt's (2010) study further extended the experiential marketing aspect by stating that warranting customer experience with a brand across various touch points and channels can lead to high customer equity. As companies are using both online and offline channels, the integration of these channels enables better experiences through multiple touch points (Verhoef et al., 2015). The importance of ensuring channel integration and management for better customer response and experiences has been outlined in studies by Verhoef et al. (2015) and Li, Sun and Montgomery (2011).

2.4.3 Physical environment

Baker et al. (2002) suggested that the store environment, specifically including employees' behaviour, store design and ambience, influences customers' experience within the retail store. Kaltcheva and Weitz's (2006) study supported this finding in which customers' experience is influenced by the atmospherics present in the retail

store such as the scent, background music and store design. Zeithaml, Bitner and Gremler (2006) argued that if the physical evidence of the company promotes experience flow, then customers would be satisfied and emotionally connected through their experiences.

2.4.4 Service interface – employee-to-customer interactions

The interactions that customers have with employees of the retail or service provider are critical across their different touch points and can shape customers' evaluation of their experiences (Stein & Ramaseshan, 2016). In the hospitality context, Jüttner, Schaffner, Windler and Maklan (2013) found that efficient service delivery, menu, the information available, ambience, store design, product quality, staff politeness upon arrival and departure, personalisation and location could have an influence on customer experience. Another study in the health care industry by Ashill, Carruthers and Krisjanous (2005) outlined that the front-line service recovery excellence has an important influence on patients' experiences and attitudes towards the health care institutions.

2.4.5 External factors

In Grewal et al. (2009) study, the authors focused mainly on the influence of external market factors (e.g. inflation, interest rates, stock market) on customer experience. However, they also did not consider other non-controlled company factors such as customer-to-customer interaction, such as reference groups, online reviews and word of mouth, which can also shape customer experience (Brocato et al., 2012). Customers can influence other customers during interpersonal encounters or indirectly across the retail or service interface (Wu, 2007). Customers tend to rely on other customers' advice or feedback during their pre-purchase stage as they are searching for or evaluating a product or service (Stein & Ramaseshan, 2016).

A recent conceptual paper on customer experience by Verhoef et al. (2009) outlined further drivers of customer experience. The authors supported and extended the idea of customer experience being holistic by nature. The drivers highlighted in this paper were the retail brand, service encounters, retail atmosphere, channel availability and customers' past experiences. In addition, it has been argued that customers' trust has an influence on customer experience as it might influence customers' cognitive

efforts and promote a halo effect towards the company (Lemon & Verhoef, 2016). An additional factor that can influence customer experience comprises companies' current sales promotions, while loyalty programs and other price/rewards incentives can also shape customer experience (Grewal et al., 2009; Gauri, Sudhir, & Talukdar, 2008).

2.5 Consequences of Customer Experience

In reviewing the literature, numerous outcomes of customer experience were found that include customer satisfaction (Meyer & Schwager, 2007), customer loyalty (Lemon & Verhoef, 2016) and customer equity (Biedenbach & Marell, 2010).

2.5.1 Customer satisfaction

Brakus et al. (2009) showed that brand experience positively affects customer satisfaction due to the stimulation and pleasurable outcomes of the experience. Other studies have also advanced the view that when customers encounter a positive experience, one of the most common outcomes of this experience is often higher customer satisfaction (Rose et al., 2012; Otnes, IIhan, & Kulkarni, 2012). Furthermore, studies have also shown the halo effect that customer satisfaction has on repurchase intention (Rose et al. 2012; Grewal et al. 2009) and positive word of mouth (Lemke et al., 2011; Grewal et al., 2009).

2.5.2 Customer loyalty

Customers become loyal based on their encountered experiences through quality control processes and relationship management strategies (Garrett, 2006). When a customer feels good about the relationship they have with a company and appreciates the company's efforts, it can result in a high level of commitment and loyalty (Mittal & Kamakura 2001; Oliver, 1997; Anderson & Sullivan, 1993).

2.5.3 Customer equity

Biedenbach and Marell's (2010) study outlined the finding that customer experience has a positive effect on brand equity's dimensions of brand awareness, brand loyalty, brand associations and perceived brand quality. Brand equity and customer equity are concepts that are interrelated; for example, an efficient marketing strategy can

enhance customer equity which will have a subsequent effect on the brand equity (Keiningham, Aksoy, Perkins-Munn, & Vavra, 2005).

In addition, customers who enjoyed a store environment have more favourable views on the company's products or services and the standard of quality (Baker et al., 2002). Other relationship constructs such as commitment can also occur from a follow-on effect of customer experience (Verhoef et al., 2009). However, scholars are still arguing about the idea of the relationship outcomes being directly linked to customer experience. For example, Gentile et al. (2007) and Grewal et al. (2009) advocated that customer experience is linked directly to relationship outcomes but Lemke et al. (2011) contradicted this idea by stating that the value-in-use involved affects the relationship outcomes. Finally, a negative customer experience can have a detrimental impact on the relationship between the customer and the company, leading to issues such as company image and trust (Otnes et al., 2012).

2.6 Moderators of Customer Experience

Researchers have outlined that the link between customer experience and its drivers can be influenced by customers' inner state (such as shopping motivations), situational contexts and their level of involvement with a product or service (Lemke et al., 2011; Verhoef et al., 2009; Kaltcheva & Weitz, 2006). Therefore, it is important to understand both situational and customer-related factors that can influence the customer's experience with a retailer or service provider.

2.6.1 Shopping motivations

Customers' shopping motivations (hedonic vs. utilitarian) can affect their perception of the experience (Puccinelli et al., 2009; Bridges & Florsheim, 2008; Kaltcheva & Weitz, 2006). Customers who are utilitarian in nature will often focus only on the outcome of their purchase decision such as the amount of money saved, delivery services and information available (Arnold & Reynolds, 2003). On the other hand, hedonic-motivated customers will focus more on the aesthetics and enjoyment encountered through the purchase process (Kaltcheva & Weitz, 2006). In addition, customers' shopping goals can moderate the influence of the determinants on customer experience (Verhoef et al., 2009). Thus, these differences can be an important factor to consider in seeking a positive customer experience. Puccinelli et

al. (2009) argued that some customers might engage in a shopping activity for reasons other than purchase such as socialisation, entertainment or based on curiosity. Furthermore, Konus, Verhoef and Neslin (2008) suggested that customers' psychographic and socio-demographic characteristics can influence their perceptions of multi-channel experiences. These characteristics and traits which include customers' motivation to adopt the channel, their acceptance of innovation, price consciousness and time constraints should be taken into consideration when assessing customer experience.

2.6.2 Situational contexts

Situational moderators can also affect customer experience. For example, the experience context comprises the factors that help customers to evaluate their experience and determine the value of this particular experience (Lemke et al., 2011). For example, a customer by nature, who is purchasing a hedonic product, will be more likely to expect a hedonic experience allied with the purchase process. Other situational moderators outlined by previous research include the channel used, climate, culture and type of store (Verhoef et al., 2009). Based on the research-shopper concept, the use of different channels across the purchase process can also alter customer experience; for example, customers might search online for information on a product but buy the actual product in store and might encounter different experiences across these different channels (Konus et al., 2008; Verhoef et al., 2007).

2.6.3 Self-brand congruity

Customers' attitudes and behaviours can result from their perceived level of congruity with a brand (Yim, Chan, & Hung, 2007). Past research (e.g. Sirgy, 1986) has suggested that customers prefer brands that have human characteristics that are congruent with their self-concept. Another study by Kressman et al. (2006) in the automobile industry showed that customers who experience self-congruity with an automobile brand usually tend to be more loyal towards that brand.

Based on the above inferences and findings derived from the existing body of research on customer experience, it can be argued that customer experience perceptions and evaluations are not only based on the antecedents of customer

experience, but can also be shaped by several situational and customer-related moderators. Hence, relating to the previous discussion, it is critical that businesses understand the importance of customer experience. Studies conducted by Badgett, Boyce and Kleinberger (2007) and Verhoef et al. (2009) highlight that one of the key elements required for businesses to achieve competitive advantage is to focus on customer experience.

Customers today are using channels other than a company's physical store to obtain their products and/or services by purchasing across various online channels (Verhoef et al., 2015). The following discussion introduces the scope of this research which focuses on the conceptualisation of customer experience within the online context as a consequence of the rise of businesses conducting their operations in this retail landscape. E-commerce is now being considered as a generic business strategy for interacting with, attracting and retaining customers (Bilgihan et al., 2016).

2.7 From Customer Experience to Online Customer Experience (OCE)

With technological advancements through desktops, tablets and mobile devices, customers are able to access information more conveniently, make online purchases and participate in a range of services such as banking, as well as social networking through online communities (Rose et al., 2011). A significant number of studies have been conducted to investigate the impact of technology on customers' shopping behaviour (Matsuda, 2005; Lee & Benbasat, 2003, Elliot & Fowell, 2000). The emergence of technology, mainly the Internet, has provided organizations with a communication and distribution platform to enhance online customer experience (OCE).

A key point of difference between the online and offline customer experience is the independence from time and place of the online context as customers can browse and purchase products and services anywhere and at any time compared to the offline context where they need to shop within the physical store's opening hours (Zhang et al., 2010). This round-the-clock accessibility and wide product selection are the key benefits customers look for during their online browsing and purchasing (Agatz, Fleischmann, & Van Nunen, 2008). For companies, the switch to online stores is considered as less costly compared to physical stores (Watkinson, 2013). This shift

has led companies to focus on a more integrated channel approach, as customers move across channels during the purchase journey, thus moving from multi-channel to omni-channel.

2.7.1 Omni-channel and OCE

The word 'channel' is defined as "a customer contact point or a medium through which the company and the customer interact" (Neslin et al., 2006, p. 96). Customers expect to use channels interchangeably (e.g. the customers enters his/her account in a company website through an app or through a social media ad or a link from his/her mobile) (Verhoef et al., 2015; Brynjolfsson et al., 2013; Zhang et al., 2010). Technological advancements in mobile computing and augmented reality have enabled companies to interact with customers using multiple touch points and to expose them to a blend of offline information and online content (Brynjolfsson & Rahman, 2013). Verhoef et al. (2015) argued that these advancements are making industries such as retail "a showroom without walls" and that it is now essential to embed digital accessibility through all customer interaction across companies' channels.

'Omni' is a Latin word meaning 'all' or 'universal'. This term was initiated by business practitioners in this context but has now gained interest among academia. It was coined in the research unit reports from the IDC's Global Retail Insights where the omni-channel shopper was categorised as an evolution of the multi-channel customer, namely, the shopper who simultaneously uses all channels instead of individually using one channel (Ortis & Casoli, 2009). The multi-channel system usually evaluates the performance of channels individually: this can create fragmented supply chain issues and companies can face difficulty in delivering a consistent experience to their customer. Hence, omni-channel aims to address this concern by ensuring the coordination of the process and technologies across all the channels to ensure a seamless, consistent experience to customers (Verhoef et al., 2015).

The concept of omni-channel is more focused on the interplay between the brand and the channels it uses, and customers moving freely across the online and offline channels (Huré, Picot-Coupey, & Ackermann, 2017; Verhoef et al., 2015). Rigby

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(2011, p.4) was the first to mention the term 'omni-channel' in the literature, defining it as "an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping". In 2013, Levy et al. (p. 67) further described omni-channel as "a coordinated multi-channel offering that provides a seamless experience when using all of the retailer's shopping channels". As recently defined by Verhoef et al. (2015, p. 176), omni-channel management (OCM) is "the synergetic management of the numerous available channels and customer touch points, in such a way that the customer experience across channels and the performance over channels is optimized". Based on the previous discussion, it can be understood that the key element of the omni-channel approach is the aspect of integration of the online and offline channels and the seamless experience provided to customers across these channels.

It is important to take into consideration that companies performing online have some limitations related to evoking customers' senses during their shopping experiences. The lack of atmospherics is prevalent as companies focus mostly on audio-visual elements to stimulate customers' senses (Goworek & McGoldrick, 2015). Studies have shown that the key inhibitors of online shopping are the absences of social interaction, personal interaction and hedonic experience which, in the offline context, are evoked by the store atmospherics and the sales representative (Holzwarth, Janiszewski, & Neumann, 2006; Barlow, Siddiqui, & Mannion, 2004). The omni-channel strategy tries to address this limitation and help companies to enhance their customers' online experience through a higher level of interactivity with and between shoppers but also by promoting company products, and by providing information and customer service consistently across the different channels (Verhoef et al., 2015; Payne & Frow, 2004). The study by Brodie, Ilic, Juric and Hollebeek (2013) asserted that retailers that use an omni-channel approach endorse interactive customer experience and customer commitment to the company. However, many online channels are not equipped with logistics and technologies adequate for ensuring their operationalisation and functionality due to their resources or the deferment of adaptation in line with technological advancement. Thus, in order to remain competitive and to drive positive OCE, companies need to rethink their marketing strategies based on an omni-channel approach.

Based on the previous discussion, the business world seems to have experienced a paradigm shift, moving towards the information age with the increase of Internet usage. Due to this increased usage, it has become vital for businesses to harmonize with the cyber era and to change their marketing activities in order to acquire and retain customers. Online channels are now playing a critical role in OCE as customers are not only webrooming but also finalising their purchase across these online channels. The following sections define the term 'online customer experience (OCE)', its dimensions, drivers and outcomes as presented in the online retailing literature.

2.8 Online Customer Experience

2.8.1 Definitions and dimensions

Online retailing has gained significant importance in recent years due to the increase in the numbers of Internet users and businesses. Having an online channel is necessary for businesses to ensure their positioning in their competing industries (Neale, Murphy, & Scharl, 2006). The usage of email, blogs, video sites (e.g. YouTube) and social media networks (e.g. Facebook) has enabled faster and richer interactions between individuals and businesses (Sachi, 2012). The communication between businesses and customers over online platforms has been qualified as part of the online customer experience (OCE) (Rose et al., 2011).

Empirical studies on OCE are scarce. The existing literature has consistently focused on the two psychological constructs of 'cognition' and 'affect' as influential components of customer behaviour and customer experience (Rose et al., 2012; Tynan & McKechnie, 2009). Frow and Payne (2007) are among the key authors who suggested that the cognitive and affective states of mind of an individual form part of the experience formation process. Online customer experience (OCE) has been defined as the impression of memory that a customer encounters after interacting with an organization, with its activities in two key dimensions: 'cognitive' and 'affective' (Rose et al., 2012; Tynan & McKechnie, 2009).

The first dimension of OCE, that is, the cognitive dimension considers customers' rational thinking process (goal-directed) by analysing stimuli and information related

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to their past, current and future experiences. The past literature (Novak et al., 2000; Rose et al., 2012) has defined the cognitive dimension of OCE as the cognitive state experienced during navigation based on the concept of 'flow' where an individual is completely absorbed in an activity to the extent that they are mentally immersed and oblivious to time or other things around them (Csikszentmihalyi, 1997). This process has been recognised and used as cognitive information processing to interpret customer-buying behaviour (Bettman, Luce, & Payne, 1998). However, considering the cognitive dimension as the sole component of customer experience has been argued by researchers (Rose et al., 2012; Hansen, 2005; Shiv & Fedorikhin, 1999). The affective or emotional dimension is important for customer experience and deals with the affect on customers' moods and/or emotional responses triggered by an interaction with the company or its online presence (Rose et al., 2011; Gentile et al., 2007). The importance of the emotional aspect of customer experience has been prominent in the existing marketing literature such as Schmitt (2010), Gentile et al. (2007) and Holbrook and Hirschman (1982). Hansen (2005) also described 'emotion' as a response to a stimulus, considering that, in the online context, the stimuli are factors present on a company's online channel to which customers are exposed. Rose et al. (2012, p. 309) defined customer experience as "a psychological state manifested as a subjective response to the website": the authors also indicated that customer experience covers both their cognitive and affective states of mind which are influenced by the various stimuli and characteristics of a company's website.

An aspect of OCE that has started to gain interest from researchers and practitioners is the real-time interaction and exchange of information that occurs in online channels (Balasubramanian et al., 2002). For example, online shoppers can request information from a company and its offerings through their website, social networking sites or online communities (Rapp et al., 2013). Online shoppers encounter incoming sensory data from a range of stimuli such as text-based information, visual imagery, video or audio delivery that is available on the company's website, social networking page, online community, etc. Web 2.0 features (such as interactivity through user-generated content in online, customer-to-customer [C2C] online recommendations) precisely facilitate a higher level of C2C and business-to-customer (B2C) interactions as well as a higher extent of challenges in terms of managing the enormous amount of information and offering customers a

uniform and consistent online experience. The advent of Web 3.0 (the semantic web) featuring artificial intelligence and seamless social networking facilitates customers' virtual connection to each other on numerous platforms which were not available in the past (Hennig-Thurau et al., 2010; Wuyts et al., 2010). Rose et al.'s (2012) study provided evidence that a greater level of connectedness (ability to connect and share knowledge and ideas with others) and personalisation (tailored visualisation of the online channel) leads to customers' high level of perceived control which leads to the customers' affective experience. However, the impact of drivers such as connectedness and personalisation has not been assessed with regard to understanding the social aspect of this online experience.

Despite the technological advancements promoting social interactions to and between shoppers and services across online channels, the current conceptualisation of OCE with its cognitive and affective dimensions does not encompass the outcomes of these virtual interactions from a social standpoint. While it is acknowledged that C2C interactions (using social media and customer reviews) and employee-to-customer interactions (using live chats, social media) exist in the digital environment, studies have not clearly explored the social aspect of this experience (Stein & Ramaseshan, 2016; Rose et al., 2012; Libai et al., 2010). To date, the OCE concept is still vague and inconsistent in terms of its conceptualisation and definition. Hence, the current OCE concept needs to be broadened in order to incorporate the social aspect of customer experience that occurs between customers and between the company and customers.

2.8.2 Measures for online customer experience

A seminal study that investigated OCE's impact on customer online behaviour was conducted by Rose et al. (2011, 2012). Rose et al.'s (2012) study proposed a measure for OCE which comprises two dimensions: 'cognitive' and 'affective'. The cognitive dimension is mainly adapted from Novak, Hoffman and Yung's (2000) research. The cognitive experiential state is measured by assessing the level of connectedness and mental presence of the customer during their navigation. The scale items measure how individuals are experiencing flow and are also totally immersed in their activity. It also measures if customers encounter a seamless and smooth transaction during their purchase journey. As for the second dimension, Rose et al.'s (2012) study

extended Novak et al.'s (2000) research by adding the affective dimension to conceptualise customer experience in the online context. The affective experiential state measurement items focus on customers' feelings, emotions and moods during their online shopping experience: the items reflect both positive and negative feelings such as happy vs. unhappy, pleased vs. annoyed, etc.

2.9 Drivers of Online Customer Experience

The existing literature on OCE has highlighted several concepts that drive and motivate customer online behaviour. The key drivers pertinent to the current study in the literature are described next.

2.9.1 Information processing

The term 'information processing' refers to how individuals use their internal senses and mental processes to relate to and understand their surroundings (Eysenck, 1993). Customers' prior experiences with a product/service often influence their evaluation of any new information (Lee, Herr, Kardes, & Kim, 1999; Brucks, 1985). Previous studies have shown that customers' previous experiences influence their future purchase intentions (Parasuraman & Zinkhan, 2002; Perea y Monsuwé, Dellaert, & De Ruyter, 2004), their expectations and their assessments of the current purchase experience (Shim, Eastlick, Lotz, & Warrington, 2001).

2.9.2 Perceived usefulness and perceived ease-of-use

Perceived usefulness and perceived ease of use are both considered relevant constructs applicable to the technology acceptance model (TAM). These two constructs have been found to have an impact on customer adoption of online shopping (Geffen, Karahanna, & Straub, 2003; Davis, Bagozzi, & Warshaw, 1992). For instance, online shoppers who found a site easy to use are likely to have a positive online experience (Cheung, Chan, & Limayem, 2005; Chen & Dubinsky, 2003). The term 'perceived usefulness' often relates to the fact that customers can easily identify the importance of a site for their everyday needs (e.g. banking, grocery shopping, etc.). These twin concepts are in operation when a site promotes logical flow, clear content and relevant information, and is easily navigable (Elliot & Speck, 2005). Cao and Seydel (2005) even proposed a framework that can be used to evaluate a website's perceived ease of use and usefulness. Features such as search

facility, responsiveness, and the loading and relevance of information on a website can be used to measure the above twin concepts. A well-designed website with high usability can enhance the customer's online buying experience and his/her perception of the vendor (Flavián, Guinalíu, & Gurrea, 2006; Chakraborty, Lala, & Warren, 2002).

2.9.3 Skill

An individual's ability to use the Internet proficiently and to navigate within a site can influence their online experience (Klein & Ford, 2003). Relating to the actual context (in reality), customers who are familiar with online technologies will be more confident in engaging in online shopping (Hoffman & Novak, 2009; Rose et al., 2012).

2.9.4 Perceived control

Perceived control focuses on the degree to which an online user feels that they have control of their accessibility, search and content evaluation during their navigation on a particular website (Rose et al., 2011). In the online context, when customers have a high level of control, this reduces their perception of difficulty and risks and leads them to a positive experience (Agarwal & Karahanna, 2000; Rose et al., 2012).

2.9.5 Perceived benefits

The benefits that individuals associate with using the Internet are mainly convenience, price comparison and saving time (Chen & Chang, 2003). These perceived benefits are found to motivate customers in both the hedonic and utilitarian contexts (Childers, Carr, Peck, & Carson, 2001). In addition, studies have shown that feelings of rewards and positive benefits often lead individuals to support an online brand (Rose et al., 2011).

2.9.6 Enjoyment

Research has shown that, while browsing on the Internet, some customers are seeking entertainment, social networking and gratification (Watson, Akselsen, & Pitt, 1998). Enjoyment is often perceived as the intrinsic value of e-commerce and indicates users' positive feelings (i.e excitement) when they perceive that the online platform meets their desired goals and expectations (Salehi, Salimi, & Haque, 2013).

The influence of customers' perceived control and enjoyment often determines their intention to return to a website (Koufaris, Kambil, & LaBarbera, 2001). Studies have revealed that positive OCE is derived from a fun and enjoyable experience on a website (Wolfinbarger & Gilly, 2001).

2.9.7 Trust

The concept of 'trust' has been used numerous times in models that establish frameworks for online customer behaviour and services (Lee & Lin, 2005; Bart, Shankar, Sultan, & Urban, 2005; Ha & Perks, 2005). The fear of the unknown has often been seen as a component of trust (Tan & Sutherland, 2004). As the online context has a low level of personal contact, it can become difficult for an individual to trust the channel being used (Hassanein & Head, 2009). Studies have also found that if customers believe in the honesty and integrity of the operations of online companies, they are highly likely to trust these companies and participate in online shopping (Rose et al., 2011).

2.9.8 Perceived risk

Perceived risk is defined as the "uncertainty and the seriousness of the consequences of the purchase" (Cases, 2002, p. 377). In the online environment, two key risk factors are relevant: security and privacy. The security risks refer to the safety of the device and credit/financial details of the customers while shopping online. The privacy risks relate to the extent to which customers can control the dissemination of their information during their transactions. Reducing and removing the level of risk will increase the positive perception value of customers and their willingness to share their experiences (Rose et al., 2011).

2.9.9 Aesthetics

Aesthetics on a website such as the website design, graphical features and technical usage are found to have a positive impact on shoppers' experience (Rose et al., 2012; McKinney, 2004). This, in turn, leads to the customer's satisfaction, enjoyment and purchase intention (McKinney, 2004; Wang, Hong, & Lou, 2010). Ganesh, Reynolds, Luckett and Pomirleanu (2010) showed that customers are more likely to engage in online shopping activities if they are stimulated by a website that they find

innovative and interesting. A website design and its playfulness form a company's web aesthetics (Wang et al., 2010).

2.9.10 Customer-to-customer interaction

By using the Internet, customers have the ability to interact with each other through online channels. These interactions can often shape their perceptions on a particular brand and on their experience (Seidman, 2013; Rose et al., 2012; Kim & Jin, 2006). Rose et al. (2012) found that the extent of customers' connectedness with Web 2.0 influenced their feelings of perceived control and empowered them to undertake their shopping decisions and evaluate their shopping experiences.

2.9.11 Telepresence

Telepresence refers to the immersion state of customers during their shopping experience (Rose et al., 2012; Hoffman & Novak, 2009). It has been found that the more customers are cognitively immersed while using a company's online channel, the greater their experiential state (Rose et al., 2012; Mollen & Wilson, 2010).

2.9.12 Personalisation/customization

Personalisation occurs when companies adapt their product and service offerings based on customers' behaviour and transactions (Montgomery & Smith, 2009). Customers expect companies to communicate messages that are relevant to them (Moharam & Shawky, 2012). Web personalisation enables companies to create a personalised and meaningful experience for shoppers based upon their behavior, profile, interests, and needs (Petre, Minocha, & Roberts, 2006; Wolfinbarger & Gilly, 2003).

2.9.13 Customer support

Novak et al.'s (2000) study advanced the view that providing customer support is a key criterion for enhancing customers' online shopping experience. Customers expect companies to promptly respond to their queries across their online channels (Liao & Cheung, 2002). Table 2.2 summarises the key literature on the antecedents of online customer experience (OCE).

Table 2.2: Key supporting literature on antecedents of OCE

Antecedents of OCE	Supporting online studies
Information processing	Rosa and Malter (2003); Holloway et al. (2005); Cheung et al. (2005); Rose et al. (2011)
Perceived usefulness and perceived ease of use	Childers et al. (2002); Gefen (2003); Chen and Dubinsky (2003); Cheung et al. (2005); Cao et al. (2005); Hassanein and Head (2007); Wakefield, Wakefield, Baker, and Wang (2011); Rose et al. (2011, 2012)
Skill	Klein and Ford (2002); Cheung et al. (2005); Hoffman and Novak (2009); Novak et al. (2000); Rose et al. (2011, 2012)
Perceived control	Wolfinbarger and Gilly (2001); Shim et al. (2001); Novak et al. (2000); Perea et al. (2004); Wang et al. (2007); Rose et al. (2011, 2012)
Perceived benefits	Childers et al. (2002); Hoffman, Novak, and Venkatesh (2004); Ha (2004); Doolin (2005); Rose et al. (2011, 2012)
Enjoyment	Koufaris et al. (2001); Childers et al. (2002); Brown, Pope, and Vogues (2003); Bauer, Gouthier, and Lenker (2005); Hassanein and Head (2007); Wakefield et al. (2011); Rose et al. (2011, 2012)
Trust	Lee and Turban (2001); McKnight and Chervany (2001)
Perceived risk	Teo (2002); Chen and Dubinsky (2003); Lim (2003); Rose et al. (2011, 2012)
Website aesthetics	Dellaert and Kahn (1999); Eroglu, Machleit, & Davis (2003); McKinney (2004); Gentile et al. (2007); Wang et al. (2010); Rose et al. (2012)
Connectedness	Muñiz and O'Guinn (2001); Kim and Jin (2006); Rose et al. (2012)
Telepresence	Novak et al. (2000); Hoffman and Novak (2009); Rose et al. (2012)
Personalisation/ customization	Smith and Sivakumar (2004); Engel, Miniard, and Blackwell (2006); Burton (2002); Chang, Yuan, and Hsu (2010); Rose et al. (2012)
Customer support	Novak et al. (2000); Liao and Cheung (2002)

2.10 Consequences of Online Customer Experience

The following subsections describe the OCE outcomes based on the existing literature relating to customers' behavioural outcomes.

2.10.1 Satisfaction

Satisfaction occurs when a company's performance meets or exceeds a customer's expectations. Studies have shown that customer satisfaction towards a company is based on their evaluation of the online store's attributes (Jin & Park, 2006). Janda and Ybarra (2005) indicated in their study that online shoppers' satisfaction is highly affected by a superior online experience. If online shoppers do not have prior experience with the purchase brand/company, they are less likely to have a positive attitude towards their online shopping, hence experiencing lower satisfaction.

2.10.2 Customer delight

Customer delight often arises when customers encounter a positive service performance that exceeded their expectations (Bartl, Gouthier, Lenker, 2013). The customer view of a company is based on their cognitive and affective perspectives of a company's website (Gentile et al., 2007; Homburg, Koschate, & Hoyer, 2006). When customers have positive views in regard to the hedonic and emotional service qualities encountered while shopping online, they will be more likely to be delighted with the services provided by the company (Bauer et al., 2006).

2.10.3 Purchase and repurchase intention

A customer's high level of propensity to shop with a particular company can be evoked by their positive evaluation of a company's website service quality (Baker et al., 2002). A customer's psychological state (comprising both cognitive and affective states) enables them to reflect upon their motives for choosing a particular company from which to buy products and services (Eroglu, Machleit, & Davis, 2001). Internet-based experiential value perceptions and positive emotions are related to the customer's retail website patronage intentions and purchase intentions (Mathwick, Malhotra, & Rigdon, 2001). The term 'repurchase intention' is defined as the "re-usage of the online channel to buy from a particular retailer" (Khalifa & Liu, 2007, p. 782). This outcome variable has been used in studies in models of online experience and satisfaction (Khalifa & Liu, 2007; Kim, 2005).

2.10.4 Electronic word-of-mouth (e-WOM) communication

The term 'electronic word-of-mouth (e-WOM) communication' refers to any positive (satisfaction) or negative (dissatisfaction) communication between a potential or current customer in regard to a company's product or service that is publicly available on the Internet (Cheung & Lee, 2012; Karakaya & Barnes, 2010). Customers can share their purchase experience to help others to make a decision (Kollock, 1999). Positive word of mouth arises from e-loyalty: as outlined by Dick and Basu (1994) and Hagel and Amstrong (1997), loyal customers are more likely to spread positive word of mouth.

Table 2.3 summarises the key literature on the outcomes of online customer experience.

Table 2.3: Key supporting literature on outcomes of OCE

Outcomes of OCE	Supporting online studies
Satisfaction	Mittal and Kamakura (2001); Seiders, Voss, Grewal, and Godfrey (2005); Janda and Ybarra (2005); Khalifa and Liu (2007); Ranaweera, Bansal, and McDougall (2008); Jin, Park, and Kim (2008); Kim, Zhao, and Yang (2008); Rose et al. (2011, 2012)
Customer delight	Bauer, Falk, and Hammerschimdt (2006); Bartl et al. (2013)
Purchase intention	Eroglu et al. (2001); Mathwick et al. (2001); Baker et al. (2002)
Repurchase intention	Ha and Perks (2005); So, Wong, and Sculli (2005), Khalifa and Liu (2007); Jin et al. (2008); Ha, Janda, and Muthaly (2010), Wakefield et al. (2011); Rose et al. (2011, 2012)
e-WOM	Dick and Basu (1994); Hagel and Armstrong (1997); Kollock (1999); Srinivasan, Anderson, and Ponnavolu (2002); Karakaya and Barnes (2010); Cheung and Lee (2011)

2.11 Moderators of Online Customer Experience

As with customer experience in the offline environment, moderating factors also influence the link between OCE and its drivers. As indicated by previous studies, customers' shopping motivations (Bridges & Florshein, 2008), previous online experience (Kim & Stoel, 2004), gender (Cyr & Bonanni, 2005) and shopping habit (Khalifa & Liu, 2007) are important aspects to consider when assessing customer

experience in the online context. The next section highlights these potential moderators and their influence on customer experience in the online environment.

2.11.1 Shopping motivations

Online customers have different shopping goals already present in their consciousness, based on either their hedonic or utilitarian values (Bridges & Florsheim, 2008; Janiszewski, 1998). Goal-oriented (utilitarian) customers know the purpose of their search on a particular website and their main objective is the acquirement of an extensive amount of information on their potential purchase. However, exploration-oriented (hedonic) customers go on websites simply to window shop and browse (Novak, Hoffman, & Duhachek, 2003). These two searching behaviours are also found to influence customers' online purchase intention (Moe, 2003). Thus, these differences can be an important factor to consider when achieving a positive online customer experience.

2.11.2 Customer online shopping habit

Individuals who have acquired a habit of a particular behaviour usually tend to repeat the same behaviour in future (Chiu et al., 2012). For example, in the online context, Khalifa and Liu's (2007) study showed that customers who have an online shopping habit are more likely to repurchase from the same store in future. In addition, a customer is likely to be more satisfied and can assess a company if he or she has the habit of purchasing online (Limayem & Hirt, 2003).

2.11.3 Prior online experience

Kim and Stoel's study (2004) found that experienced online users can be distracted by aesthetically pleasant websites and stop using their current habitual website for this reason. In addition, as experienced shoppers are aware of the online purchasing process, if a website has both easy navigation and flow of information, they will be more likely to trust this particular website (Hernández, Jiménez, & Martin, 2010). Thus, a customer's prior online shopping experience can have an impact on the evaluation of their current experience on an online channel.

2.11.4 Gender

Gender differences can also play a role during individuals' online purchase journey. Studies by Cyr and Bonanni (2005) and Dai et al. (2014) outlined that women do not trust e-commerce to the same extent as men and that they also perceive more financial risk in an online purchase. Women are more focused on the aesthetics and functionality on an online channel compared to men (Zhang et al., 2009).

The key theories used to explain OCE are discussed next.

2.12 Theoretical Underpinnings for Online Customer Experience

As discussed previously in Section 2.2.1, the experience economy theory and the computational theory of mind are important theories to consider when seeking a comprehensive understanding of the phenomenon of customer experience. In addition to these theories, the cognitive appraisal and flow theories can be used to comprehend online customer experience (OCE).

2.12.1 Cognitive appraisal theory

Research has shown that in capturing OCE, it is important to consider the individual's cognitive and affective states of mind (Rose et al., 2011; Rose et al., 2012). As indicated by various researchers, cognitive appraisal theory argues that the individual's emotional responses are derived from their interpretation of a particular event or situation (Elliott, 1997; Roseman, 1991; Smith & Ellsworth, 1985). Studies that have used cognitive appraisal theory to understand consumer behaviour have focused mainly on the consumer's emotional consumption and its impact on their behaviours and outcomes. For example, Machleit and Eroglu's (2000) study showed that customers could derive emotional responses from shopping environments which would consequently influence their shopping behaviours. However, the derived emotions could also be negative, for example, the customer's anger or dissatisfaction which, in turn, could lead to a negative attitudinal response such as spreading negative word of mouth (Nyer, 1997). As suggested by Lazarus (1991), customers' emotional response is based on their subjective appraisal of the stimuli presented to them during their purchase journey. Therefore, it is the subjective evaluation from the customer's perspective that will lead to their cognitive appraisal of any event and,

consequently, influence their behavioural outcomes (Bagozzi, Gopinath, & Nyer, 1999; Nyer, 1997). The customer's subjective appraisal can occur across different touch points using different channels such as the brick-and-mortar store (physical) or through the company's online channels such as websites or social media sites (Bitner, Brown, & Meuter, 2000). Hence, cognitive appraisal theory based on the event and touch points across various channels can explain customers' online experiences (emotions) and their behavioural responses.

2.12.2 Flow theory

The flow theory can be applied to explain the online customer experience (OCE). Numerous studies have used the flow theory to understand customers' shopping experience in the online context (Rose et al., 2012; Ding, Huang, & Verma, 2011; Novak et al., 2000). As per Csikszentmihalyi (1975, p. 36), the concept of flow is referred to as a "peculiar dynamic state, the holistic sensation that people feel when they act with total involvement". In the computer-mediated environment, flow is characterized as a seamless sequence of responses facilitated by machine interactivity (Novak et al., 2000). Customers who are in a state of flow tend to enjoy their online experience more and stay online longer than those who are not in a flow state (Hoffman & Novak, 1996). Flow has been denoted as a critical element leading to customers' enjoyment and entertainment and to them considering the experience as intrinsically rewarding (Rose et al., 2012; Csikszentmihalyi, 1988). Furthermore, flow experiences in the online environment have been reported by previous studies to lead to behavioural responses such as loyalty, satisfaction and repurchase intention (Rose et al., 2012; Hausman & Siekpe, 2009).

As the current research focuses on the social aspect of customer experience, it can be stated that the previous theories do not specifically cover the social aspect of customer experience but rather can be used primarily to support the cognitive and affective dimensions of online customer experience (OCE). The theoretical underpinnings of the social aspect of OCE will be discussed in Chapter 4 using insights from the social psychological literature and theories.

After reviewing the extant literature on customer experience in both the online and offline environments, it is clear that significant research gaps need to be addressed.

To move the body of knowledge forward on OCE, the aim of this research is to explore the existing gaps to make substantial theoretical, methodological and practical contributions to the online customer experience literature as well as to the broaden online retailing literature. The research gaps and their significance are discussed next.

2.13 Research Gaps and Significance for the Current Research

2.13.1 Social experience as a key dimension of OCE

Online customer experience (OCE) has recently received considerable academic interest due to the increase in the numbers of Internet users and online businesses (Rose et al, 2012; Hoffman & Novak, 2009). Online customer experience (OCE) occurs when customers interact with businesses through online purchases, engage in social networking sites and/or use different types of online services (Rose et al., 2012). Customer experience has been considered as a multidimensional concept (Verhoef et al., 2009) and the existing literature has conceptualised the OCE literature based on the individual's cognitive and affective states of mind (Rose et al., 2012; Frow & Payne, 2007). Most studies on OCE have mainly focused on factors that can enhance a website's quality/performance (Loiacono, Watson, & Goodhue, 2002; Kaynama & Black, 2000) or on online customer behaviour such as their purchase process (Cheung et al., 2005). Although marketers are beginning to have an understanding of the marketing strategies that might attract customers to an online platform, the literature is still silent on the factors that make a company's online channels a compelling customer experience and the key behavioural outcomes of this enthralling experience (Hoffman et al., 2009). Hence, empirical research on OCE remains scant (Verhoef et al., 2009; Bigne-Alcaniz, Ruiz-Mafé, Aldas-Manzano, & Sanz-Blas, 2008).

It has become essential to undertake further research in this area to understand the importance of customer experience in relation to customer online behaviour. Marketing experts have urged further research to be undertaken to add to the OCE literature. For example, Verhoef et al. (2009) argued that customer experience needs to be further explored, focusing on how can it be measured so all facets of the construct are captured. Questions based on the Marketing Science Institute's key

research priorities for 2016–2018 also focused on investigating customer experience in the online context; for example: 'How do social media and digital technology change customer experiences and the customer path to purchase?' (Marketing Science Institute, 2016). Previous studies have focused mainly on formulating OCE through two main experiential states, namely, cognitive and affective. Despite studies having shown the importance of social interaction and social cues in online channels, the social dimension of online experience to date has been overlooked (Rose et al., 2012; Wang et al., 2010). Online customer experience (OCE), in its current form, does not include any social dimension as mentioned above, even though it has been found that the customer's perception of an organization as being 'social' influences their loyalty towards the company (Hennig-Thurau et al., 2002).

In relation to these research avenues, an important aspect of online retailing that has received attention from marketing researchers is the enhancement of online social interaction with the use of Web 2.0 functionality and social media (Kaplan & Haenlein, 2010; Mayfield, 2008; O'Reilly, 2005). Yet, studies have only begun to investigate the importance of online social cues within retailing websites (Wang et al., 2007). Prior research has suggested that interpersonal interaction and social experiences are the two key aspects that current web-based online shopping can improve (Moon et al., 2010). For example, Holzwarth et al. (2006) proposed that the presence of an avatar across an online channel can help to persuade customers to finalise their purchase by providing them with adequate information. Researchers have called for a better classification of website social cues and more explanation on how customers make sense of website socialness (Wang et al., 2007; Lee & Nass, 2003). Online channels such as companies' websites have started to use human-like characteristics on their platforms to make customers feel that they are attended while shopping. These changes have been the key development within human–computer interface applications (Wang et al., 2007). Studies have also shown that social computing is among one of the four key drivers of information technology (IT) investment: for example, Anna is the human-like assistant on IKEA's website that helps customers on their online shopping journey. Therefore, promoting these human-like characteristics (social cues and avatars) within online shopping platforms can promote the employee-to-customer interaction, enhancing the customer's patronage and repurchase intentions (Wang et al., 2007).

Wakefield et al. (2011) urged future studies to examine website elements and the need to incorporate social cues that generate customers' social perceptions about a website. Ha and Stoel (2009) also called for future research to investigate whether using social cues could be an effective strategy for online companies. The social aspect has become an integral part of today's online marketing as customers are looking for social cues while shopping on a website (Wang et al., 2007). Furthermore, research indicates that the most significant inhibitor of web-based online shopping is the absence of pleasurable experiences, social interaction and personal consultation by a sales representative (Barlow et al., 2004). In particular, studies have shown that 90% of online shoppers prefer human contact rather than automated responses on online channels (Gutzman, 2000).

The customer shopping experience in the offline environment is often influenced by social interactions, peer influences and relational perspectives (Kim, Suh, & Lee, 2013). Online shoppers value social relationships and enjoy communicating with other customers on online channels such as social media (Kim et al., 2013; Rapp et al., 2013). Customer-to-customer (C2C) interaction, social interaction and the sense of belonging to a community have been considered as motivations for individuals to engage in websites, virtual communities and social networking sites such as Facebook (Seidman, 2013; Adjei et al., 2010; Dholakia, Bagozzi, & Pearo, 2004). However, this C2C interaction has been overlooked in the OCE literature as part of a social experience.

The limitations of the existing OCE literature have pinpointed the need to reconceptualise the OCE literature with a view to exploring the social aspect of OCE and its drivers and consequences. The current research proposes to provide a richer conceptualisation of OCE that encompasses the social component of this experience. The current chapter has outlined the drivers, outcomes and moderators of OCE based on the cognitive and affective experiential states. The current research will investigate the drivers, dimensions, outcomes and moderators of the social aspect of customer experience (termed in this research as 'customer online social experience [COSE]). As there is no established scale for COSE, a scale needed to be developed to measure COSE in order to have a richer conceptualisation of online customer experience (OCE).

The evolution of artificial intelligence and the implementation of social cues have enabled online companies to promote the social aspect on their online channels (Wang et al., 2007). These technological advancements have led companies to rethink their strategies in terms of their online presence as customers use and change online channels interchangeably and seamlessly during their purchase journey. Hence, companies should now focus on the shift from the multi-channel to the omni-channel approach to remain competitive in this new retail landscape (Verhoef et al., 2015). Due to the scope of this research, the omni-channel approach will be considered strictly in the online environment.

2.13.2 Omni-channel management

Despite the emergence of the concept of 'omni-channel' in the retailing literature (discussed in Section 2.7.1), the research work on this particular concept is scarce. Various activities across the online context have been evaluated to measure a company's performance such as online brand promotion (Hongyoun Hahn & Kim, 2009) and understanding online shoppers (Ganesh, 2004) but, due to digitalization and the need to have an online presence, companies are now focusing on understanding the omni-channel concept and its characteristics (Bell, Gallino, & Moreno, 2014). Brynjolfsson et al. (2013) emphasized the importance of understanding that omni-channel performance is not solely based on technology. Rather, as argued by Verhoef et al. (2015), the structure behind the omni-channel architecture needs to be conceptualised and understood. Studies have conceptualised multi-channel retailing but the current literature has not provided a satisfactory theoretical foundation and conceptualisation of the different components of omni-channel retailing. Researchers have agreed that no consensus exists of the distinctive features between multi-channel, cross-channel and omni-channel (Ailawadi & Farris, 2017; Verhoef et al., 2015). Verhoef et al. (2015), who first coined the term 'omni-channel management (OCM)', have requested that further studies be undertaken to investigate how companies can integrate their channels in such a way to enhance not only the channel performance but also the customer experience across these channels and to explore the consequences of such integration. The identification of key research priorities has also outlined the importance of omni-channel, for instance, 'Understanding "omni-screen" and "omni-channel" drivers of customer decision making and behaviour'; 'How important are seamless and integrated customer

experiences?'; 'What are the "moments that matter" in decision making?'; and 'How can we understand—and perhaps influence —the periphery in which these moments are embedded?' (Marketing Science Institute, 2016). The current research attempts to address these research directions by investigating the impact of omni-channel management (OCM) in the online environment on customer online social experience (COSE). However, a scale still needs to be developed to measure OCM due to its relevance in the existing literature.

2.13.3 Self-brand connection

A construct that has gained importance lately is termed the 'customer self-brand connection (SBC)'. A brand's impact is dependent upon the quality of the customer's experiences with that brand and the extent to which these experiences can create a vivid memory in the consumer's mind (Fournier, 1998). Customers tend to form personal connections with a brand/company that are somehow aligned with their self-concept. The construct 'self-brand connection (SBC)' measures this relationship but, to date, this construct has not been applied to the online context (Moore & Homer, 2008; Escalas, 2004). It will be interesting to explore whether customers' SBC as an emerging construct can have a similar moderating effect to that of self-brand congruity on customer experiences in the online environment (Escalas & Bettman, 2003).

2.14 Chapter Summary

This chapter has provided an extensive review of the literature relating to the evolving concept of online customer experience (OCE). The chapter firstly outlined the origins and definitions of 'customer experience' and identified its current dimensions, drivers and outcomes. The seminal studies on OCE were reviewed to identify the current dimensions, antecedents and consequences. Based on criticism pertaining to the OCE literature, the social aspect of customer experience was found to be still under-investigated in the online retailing context. Despite the rise of social cues or human-like characteristics in companies' online channels, existing studies have identified the key drivers of OCE to be primarily focused on three areas: website quality and performance; activities relating to customers' purchase process; and the service experience. However, current research is silent on the social aspect of OCE, its drivers, dimensions and outcomes.

This chapter has also outlined the importance of the evolving concept of omni-channel management (OCM) and the lack of emerging consensus around its conceptualisation and importance to online companies. The chapter concluded by outlining the theoretical and methodological research gaps currently present in the OCE literature as they relate to the social aspect, while en route to the further research avenues addressed in the current study.

CHAPTER 3: STUDY 1
CONCEPTUALISING CUSTOMER ONLINE
SOCIAL EXPERIENCE

3.0 Introduction

As indicated in Chapter 1, this research comprises two sequential studies: Study 1 and Study 2. The current chapter (Chapter 3) discusses how Study 1 was conducted so it could explore the three research questions outlined in Chapter 1, namely: (i) how can we conceptualise customer online social experience (COSE); (ii) what are the factors that may influence COSE; and (iii) what are the consequences of COSE? Following the extensive review of the literature on customer experience in both online and offline contexts in Chapter 2, it is evident that significant research gaps exist in the OCE literature in relation to the importance of the social aspect of online customer experience (OCE). The methodology, analysis of the qualitative data and the findings of Study 1 are discussed in subsequent sections of this chapter.

3.1 Background of Customer Online Social Experience (COSE)

From Chapter 2 ('Literature Review'), it is apparent that companies' online channels such as websites, mobile applications and social networking sites (SNS) have started to use human-like characteristics (e.g. avatars, live chat, 24/7 online agent) to make customers feel attended to while shopping online. These changes have been the key development within human–computer interface applications (Prendinger & Ishizuka, 2004). Online shoppers encounter incoming sensory data from a range of stimuli such as text-based information, visual imagery, video or audio delivery that are available on companies' online channels (Wang et al., 2007). Features, such as artificial intelligence and seamless social networking as developed in Web 2.0 and Web 3.0 (the semantic web) have facilitated higher levels of C2C and B2C interactions than were available in the past (Hennig-Thurau et al., 2010). Promoting these human-like characteristics (social cues) within online shopping sites can make customers feel like they are being served by an employee and thus enrich their online experiences (Chattaraman, Kwon, & Gilbert, 2012). Therefore, from the previous discussion, it is evident that the social aspect has become an integral part of a

company's online marketing (Wang et al., 2007). However, existing research is silent on whether and how online companies can enhance the social aspect of OCE through their online channels (Wang et al., 2007). The following section describes the methodology employed to investigate the social aspect of OCE in relation to the components of COSE, the factors influencing COSE and the outcomes of customer online social experience (COSE).

3.2 Methodology

The main purpose of a business research study is to comprehend, clarify and predict a phenomenon (Bagozzi, 1994). A research project begins by addressing the questions of who, what, when, where and how to clarify the research subject (Cooper & Schindler, 1998). Two distinct research approaches could be used to investigate a phenomenon—qualitative and quantitative research methods. The qualitative research method relies on an inductive or deductive analysis of a phenomenon with a descriptive and exploratory orientation (Guest, MacQueen, & Namey, 2011). The quantitative research method focuses on collecting data and analysing it through statistical techniques to explain the phenomenon as well as its causes and effects or the relationships between constructs (Muijs, 2010; Creswell, 2002). The qualitative framework is based on an emic perspective where individuals' thoughts, experiences and observations of small groups are taken into consideration. This is in comparison to the quantitative framework that focuses on an etic perspective which relies mainly on structured observations of a certain group and generalises the sample results (Holloway & Wheeler, 1996; Morris, Leung, Ames, & Lickel, 1999).

For Study 1, a qualitative research approach was used primarily to gain an in-depth understanding of the social aspect of online customer experience (OCE). The exploratory research approach has been used and suggested by scholars to investigate under-researched topics or areas of study that are qualitative or descriptive by nature (Meredith, Raturi, Amoako-Gyampah, & Kaplan, 1989). The findings from an exploratory study can enable the investigation of the importance of the OCE social aspect. The qualitative findings can also indicate the potential causal relationships and develop a conceptual COSE model. For Study 1, the in-depth qualitative analysis was based on informants' 'memory recall' of a recent purchase with an online

retailer/company dated less than three months in the past (Schmitt, 1999). The following discussion highlights the research design and approach pursued in Study 1.

3.2.1 Exploratory research design and approach

To investigate and obtain adequate information about the topic of a research study, it is important to have a detailed research design outlining the procedures carried out to understand the subject (Malhotra, 1999). Research design can be categorised into three categories: exploratory, causal and descriptive. The main purpose of exploratory research is to gain more insights and discover new ideas on a particular subject (Malhotra, 1999). Causal research tries to decipher the cause-and-effect relationships within the phenomenon or the events (Zikmund & Babin, 2010). The objective of descriptive research is to explore the key characteristics of the phenomenon by describing some group of individuals or entities in relation to the research problem that is being investigated (Zikmund & Babin, 2010).

A discovery-oriented, theories-in-use approach (e.g. Glaser & Strauss, 1999; Wells 1993) has been adopted to address the three research questions highlighted earlier in Chapter 1 (Section 1.2). The qualitative research method is considered one of the most viable methods for investigating and comprehending a research problem and for understanding customer behaviour (Malhotra, 1999; Carson, Gilmore, Perry, & Gronhaug, 2001). As a research method, the qualitative approach has been used mainly to explore social or individual-related issues (Creswell & Poth, 2017; Creswell, 1998). In the context of the current study, customer experience differs across individuals as it is based on their personal needs and expectations (Rose et al., 2011; Lemke et al., 2011). Due to the subjective nature of this experience, researchers need to have an in-depth understanding of customers on an individual basis using the qualitative research method (Fournier, 1998). Study 1's data collection method is discussed in the next subsection.

3.2.2 Qualitative data collection

This research used a qualitative data collection method to identify the importance of customer online social experience (COSE), its factors and its consequences based on customers' previous purchase experiences in the online environment. The research process for exploratory research is highly flexible and unstructured, and can include

in-depth interviews with participants comprising a small sample size (Malhotra, 1999). In research focusing primarily on customer behaviour in the online environment, marketers and researchers need to reflect and interpret the situation from the customer perspective (Fournier, 1998). Previous studies investigating the phenomenon of customer experience have also adopted in-depth interviews in their research approach (Arnold, Reynold, Ponder, & Lueg, 2005; Berry et al., 2002). As Study 1 in the current research is also exploratory by nature with its aim of investigating COSE, it was presumed that in-depth interviews would be a viable method for data collection. In-depth interviews were carried out to elaborate on issues regarding the research problem and to reduce interviewer bias that could potentially occur due to the lack of standardisation during the data collection procedures (Robson, 1993).

A semi-structured discussion guide/schedule was developed and used to conduct the in-depth interviews which sought to discover different narratives to unearth possible components of the social aspect of OCE and its key influencing factors (Diamond et al. 2009; Colgate, Tong, Lee, & Farley, 2007; Fournier, 1998). The semi-structured guide was pre-tested by six respondents from network acquaintances (Colgate et al., 2007). Respondents were asked to write down ('pen and pencil' method) their answers to each question and to highlight if the questions were self-explanatory and easily understood (Bowling, 2005). Using the 'pen and pencil' method to pre-test the interview guide, respondents only listed key words and few, if any, sentences to provide their answers to each question. In regard to the pertinent questions, no changes were required, as they caused no difficulties to the respondents in understanding them. The face-to-face in-depth interviews were then conducted to further explore the COSE concept.

3.2.3 Sampling – selection of informants

The key emphasis of this study's qualitative approach was to ensure that the informant (i.e the customer) recalled his or her recent online purchase (dated less than three months) with a retailer/company and described their journey across online channels (i.e website, mobile application and/or social media). The key criteria for selection was to interview individuals that purchase online frequently (four times or more in the past three months) (Li, Kuo, & Russel, 1999). Purposive sampling was

selected over random sampling due to its appropriateness for exploratory design to ensure a balance of age and gender across the sample of informants (Miles & Huberman, 1994). The respondents were contacted through email and briefed about the current research and its aims. The cover letter sent to respondents is provided in Appendix I. In the cover letter, the respondents were familiarised with the research purposes and the interview details (e.g. confidentiality, voluntary nature, duration, ethics approval). After receiving consent from the respondents that they were willing to participate in the study, an interview was scheduled and conducted accordingly. The anonymity and confidentiality of the respondents were assured using non-identifying code numbers.

3.2.4 Interview procedure

In total, 24 informants were interviewed after being selected purposively through personal networks, it is important to note that a few informants described several online experiences with various companies; hence, from the 24 in-depth interviews, 30 OCE narratives were reported.

The in-depth interview process stopped at the 22nd interview on the assumption that the findings from future interviews may generate information saturation (Guest, Bunce & Johnson, 2006). The thematic analysis of these interviews revealed repetitive themes which led to the conclusion that the information generated was becoming saturated due to the convergence of themes (Guest, Bunce, & Johnson, 2006; Eisenhardt, 1989). From these 22 in-depth interviews, a cross-case analysis of all in-depth interviews was conducted by summarising the key themes to provide a sense of recurring themes and issues (see Table 3.4). It was noted that, from the 20th interview, no new themes were revealed. The final four interviews were still conducted to fully ensure that no new themes arose; however, it was found that no new themes were revealed in the interviews after the 20th interview.

The average duration of the interviews was about 30–45 minutes. All the interviews were audio taped and later transcribed verbatim. The in-depth discussion guide is provided below:

Semi-structured discussion guide

1. Do you shop online? What channel do you use to shop? How often do you shop online?

2. Please tell us about the key reasons that motivate you to shop online.

3. Can you provide an example of a recent online purchase that you really enjoyed?

4. Will you please describe the reasons why you choose to shop on this particular website instead of others?

5. Could you please describe your online shopping journey on this particular website from beginning to end?

6. How would you describe your overall experience while shopping on this particular website? What were the key aspects of your experience that stood out?

7. How would you compare your experience of online shopping on this website with other available websites?

8. Do you stay in touch with this company online? If yes, how? Please describe.

9. Do you share your online shopping experiences with others online? Please elaborate.

10. How often do you use social media? What do you really do on social media?

11. Do you think the use of social media helps you in online shopping? Please describe your experience about this using the case of the particular website that you discussed earlier.

12. Would you buy from the same website again? Please describe what really motivates you to repurchase (or not to repurchase) from the same website?

Sample probing questions:

1. Have you received any assistance during your purchase process? If yes, in what form? How did you feel about this?

2. Do you feel that this online retailer cares about you and its other shoppers? If yes, what makes you think so?

At the beginning of each interview, the informants were asked to recall a recent online purchase (less than three months prior) with a retailer/company and to justify the rationale behind their purchase. To put the informants at ease, each informant was asked to firstly state the name of the online retailer/company, their prior familiarity with the retailer/company and to briefly discuss their purchase experience before proceeding to the interview questions (Arksey & Knight, 1999). The informants were asked to share their recent online purchase experience and the key aspects that stood out during their online journey. Specific prompts and probing techniques were used throughout the interview to encourage the informant to provide elaboration and rich description of the purchase process phases and to investigate the importance of the social aspect during their online experience with the retailer (refer to semi-structured discussion guide for sample probing questions). A thematic analysis process was used to facilitate the understanding of the online customer experience (OCE) which, by its nature, is subjective to an individual (Lemke et al., 2011).

3.2.4.1 Key demographics of informants

The demographics of the sample informants are presented in Table 3.1. Of the 24 informants, 10 (42%) were female and 14 (58%) were male. The age of informants ranged from 22–45 years with an average age of 31 years. The informants had varying professions as outlined in Table 3.1. Different online business contexts were highlighted, with most related to the clothing and electronics industries. Of the 30 narratives reported, 22 related to online clothing and electronics companies. The remaining eight were associated with other online companies such as airlines, gaming and sports equipment.

Table 3.1: Demographic characteristics of informant sample

No.	Gender	Age	Occupation	Type of Retailer
1.	Female	28	Graduate in Psychology	Clothing
2.	Female	38	Teaching Officer	Shoes
3.	Male	29	Architect	Gaming
4.	Male	22	Student	Gaming
5.	Male	33	Director	Clothing
6.	Male	35	Digital Marketing Specialist	Electronics
7.	Male	27	University Tutor	Electronics
8.	Male	27	University Tutor	Books
9.	Male	33	Lecturer	Sport
10.	Female	24	University Tutor	Clothing
11.	Female	26	Student	Electronics
12.	Male	26	Project Manager	Airline (Flights)
13.	Female	28	Secretary	Clothing
14.	Female	35	Marketing Manager	Baby Products
15.	Male	27	Digital Marketing Manager	Electronics
16.	Male	35	IT Manager	Gaming
17.	Male	43	Marketing Manager	Airline
18.	Male	29	Social Media Specialist	Sports equipment
19.	Male	28	Social Media Representative	Clothing
20.	Female	36	Secretary	Clothing
21.	Female	28	Student	Clothing
22.	Female	32	Marketing Representative	Clothing
23.	Male	45	Sales Manager	Clothing
24.	Female	43	Real Estate Project Coordinator	Electronics

3.2.4.2 Validity of qualitative information

Various measures were used to ensure the validity of the qualitative data. Firstly, the semi-structured discussion guide was reviewed by experts[2] to assess the wording and flow of the interview questions. Secondly, the guide was pre-tested through network acquaintances to ensure the flow and wording of the interview questions (Colgate et al., 2007). Thirdly, in conducting the interviews, an attempt was made to avoid using marketing literature jargon to eliminate the chance of possible contamination of the extracted data (Colgate et al., 2007). Fourthly, the informants were screened prior to the interview to ensure that they were suitable for the research; that is they should be frequent online shoppers (purchased four times or more in the past three months) (Li et al., 1999) and at least 18 years old. Each informant was asked to recall his/her recent online purchase (within the previous three months).

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[2] The researcher consulted with the supervisor and three other marketing academics in this regard.

3.2.4.3 Recording, transcribing and analysing in-depth interviews

After receiving permission from the respondents, the 24 interviews were recorded with a digital voice recorder: this was to ensure accuracy in transcribing by providing a record of all words spoken during the interview (Patton, 1990). The recorded interviews were transcribed within 48 hours of each interview to ensure that the interviews could be recalled, hence, ensuring the accuracy of the transcriptions (Biernacki & Waldorf, 1981). In addition, no two interviews were conducted on the same day to avoid the dilution of data quality due to growing fatigue of the interviewer/researcher in probing the respondents (Biernacki & Waldorf, 1981). A sample transcript of an in-depth interview is provided in Appendix II.

3.3 Data Analysis and Findings

3.3.1 Data analysis technique

Data obtained from the transcribed interviews were analysed as follows: firstly, the transcript of each interview was closely reviewed and, secondly, it was read numerous times to determine recurring themes and patterns from the data. A theme focuses on a relevant aspect related to the research objectives and gaps (Braun & Clarke, 2006). Thematic analysis is a method for identifying, analysing and reporting patterns or themes within data (Braun & Clarke, 2006). Thirdly, the revealed themes were coded with specific names/labels, with these names/labels guided by the research problem, the data collected and the existing literature (Saunders, Lewis, & Thornhill, 2009). In the coding process, it was important to determine whether a topic or an issue within the data set should be considered as a theme and how the theme should be coded. While this is subject to the prevalence of the topic across the entire data set, no rule of thumb exists to answer the question of what proportion of the data set needs to be displayed in favour of the topic for it to be considered as a theme (Braun & Clarke, 2006).

In this study, thematic analysis was used to analyse the qualitative data. The study intended to find the factors, components and consequences of customer online social experience (COSE). Thematic analysis can be conducted using two coding methods: deductive (Boyatzis, 1998) and inductive (Frith & Gleeson, 2004). The deductive coding process focuses on the research's theoretical interests; hence, the themes

identified should relate to the research topic and help to gain an understanding of the research framework. In contrast, the inductive coding process focuses on the themes derived from the qualitative data which leads to specific research questions; hence, no prior theoretical guideline or research question is set (Patton, 1990). This study uses a deductive coding process as it is guided by specific research questions and intends to find answers from the themes derived from the qualitative data, namely, to gain an understanding of social experience in the online environment. The themes and their specific codes are provided later in Tables 3.2 and 3.3. The next subsection discusses the findings derived from Study 1.

3.3.2 Findings

To gain an understanding of the importance of social experience during the customer online journey, firstly, the narratives of two interviewees who valued having a social experience during their online purchase journey were provided. Secondly, a thematic analysis using quotes from different interviewees' narratives (Braun & Clarke, 2006) is presented to support the components of COSE, its influencing factors and consequences.

3.3.2.1 Sample narratives

Gregory[3]

Gregory is a 29-year-old architect who spends a couple of hours online every day looking for deals. He frequently purchases games from the online community of the company to which he belongs. As he stated:

> the company that I buy from has a small software that you need to install on your computer to be able to belong to their online community. Once you do this, you can see your library of games and newsfeed and you can even purchase from them.

Gregory added that the company offers virtual assistance to customers during their purchase, which enriched his online experiences:

> …if you have an issue, you just chat with the game advisor and they get back to you right away; you can also go to a live chat with them; they even open a case for you and you can save the case number for future reference; you can email yourself the whole conversation afterwards.

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[3] Names of the respondents have been changed but still reflect their gender.

Gregory also mentioned the virtual interaction that he had with the company. As he stated:

… so it's usually a personalised type of interaction between you and the company; and you literally will not feel the absence of a real-time sales person … I really feel valued as a member of the company as they really take care of me through all these nice little online tools.

Gregory added that he enjoyed sharing his opinion about the products and relevant experiences on the company's online community channels which helped him to express himself and his satisfaction to others. As he stated:

I enjoy sharing whatever relevant information or news and my experiences that others would be interested in. I feel like this is a real chance for me to express myself among fellow members of the community through the company's Facebook page and online community site.

Gregory indicated that he followed other members' comments on social media as he stated:

… I also follow other members' comments and feedback that are of interest to me; and I think they, I mean other members, may also feel the same way as me."

In summary, Gregory mentioned that, in his online experience, he was influenced by the different aspects of the company's social presence such as live chat, others' comments and feedback on the online community sites, social media, etc. Being able to express himself to other shoppers enhanced his online experience as he could guide them in purchasing or not purchasing, based on his personal experiences. When he feels that he has been assisted by the company and has been able to socialise with other shoppers during his online journey, Gregory not only comments and/or writes on the company's Facebook page or on online community sites to share his satisfaction but also follows others' comments on these online platforms (e.g. through his use of social media) which consequently influences his future purchase decisions.

Sonia

Sonia, aged 28, is a graduated psychology student who enjoys browsing and spending time online. As she stated, "*I like online shopping … I like to follow people online, how they rate a particular store, how they review, what their experiences … are*". When Sonia described the factors that motivated her to shop online, she mentioned that she received information about a specific company's website from the social media site of one of her friends as her friend belonged to that company's social media channel. As Sonia mentioned, "*I heard about the website from my friend and found it on her Facebook page*". Referring to the company's channel presence and its integration of information, she mentioned that:

> *it has a nice website; has an app for mobiles and also, it has [a] presence on major social media such as Facebook and Twitter … I have heard about [the company] from many of my friends who have been talking about it and sharing their experiences on Facebook. I also found the company on a review site with a very good review rating say 90% plus … they are good at updating relevant information online and you will find the same relevant information across all their online platforms.*

During the purchase process, Sonia had the option to enquire further and raise her concerns through the company's Facebook page. As she indicated:

> *… they had the option whereby you can contact the seller to customize the product … the seller also will let you leave a comment, if you have something specific. They will promptly get back to you to tell whether they are able to do it or not.*

The social presence of a company is a key influencing factor for Sonia to shop online. As she mentioned, "*I really need to know that there is someone who I can approach if something goes wrong with my online purchase*". She added that companies should have social media and that customers should be able to express their queries or concerns during any purchase. As she stated: "*I think it's very important for companies to have an established social media presence so that their customers are able to interact with the company*". In fact, Sonia was fascinated to see the company's prompt response on its Facebook page:

> *the company's response to my queries on social media was immediate; it cares for my preferences and responds to my concerns with relevant advice, and I feel like I belong to the company as somebody is always there to help me out.*

Sonia liked sharing her online experiences with other members of the company's online community. As she stated:

> *I sometimes post my reviews on different websites and social media especially if I have a really unique and satisfying experience … I follow others' opinions about a new arrival and I feel that if I post something somebody else can also follow my opinion and benefited; it's reciprocity, you know.*

In summary, when choosing to shop on a specific company's website, Sonia relied on the company's social media presence and on peer recommendations. For Sonia to value her online experience, she needed to feel that she was assisted and not alone during her purchase process. Hence, the company's online presence and assistance induced Sonia to make the purchase decision and to share her experiences with others on online platforms. Another aspect critical to Sonia in finalising her purchase decision was a sense of affiliation towards the company's current followers when purchasing online. In addition, her online experience was influenced by the company's integrated presence on numerous online platforms as she expected the company to update details of its offerings and provide her with assistance 24 hours a day, seven days a week (24/7).

Summary of sample narratives

As reinforced in the first narrative (Gregory's story), a company's social presence through its online social cues and its accessibility through various online channels are vital for customers to proceed with their purchase. He also outlined the importance of promoting online channels that allow customer-to-customer (C2C) interactions. As demonstrated in the second narrative (Sonia's story), social experience can also be influenced by a company having a seamless presence across online channels (e.g. the same information across all channels) as well as its incorporation of social cues (e.g. live chats). In summary, online shoppers have the intention to purchase, repurchase and recommend the company to others if they feel that the company is present across online channels and that they can socialise with other shoppers during their journey.

3.3.2.2 Conceptualising COSE and its components

From the above narratives, it is evident that online customer experience (OCE) involves a social dimension in addition to its existing cognitive and affective dimensions. The social dimension of OCE is termed 'customer online social experience (COSE)' and essentially comprises two components: (i) customers' desire to receive virtual assistance during their online shopping, just as they usually would from salespeople in the offline context; and (ii) customers' tendency to associate with others in their social network while shopping online. The social dimension of OCE is different to the existing 'customer-to-customer (C2C) interaction' and 'employee to customer interaction' as it reflects the sense of the company's social presence as felt by customers, which has not been previously considered. The social dimension also reflects the point that customers are now able to instantly engage with a company and other shoppers across different online channels. They can like, comment and share their thoughts simultaneously online and can build a sense of community between themselves and other shoppers on a company's online channel.

Based on the above narratives of Gregory and Sonia, it evident that COSE has two key components, namely, 'perceived social presence' and 'social affiliation'. To further explore these components, additional interview transcripts were examined to pinpoint specific quotes that supported the importance of having both a virtual presence and group affiliation during the customer online social experience (COSE).

Perceived social presence

Tony, a frequent online shopper in his late 20s, clearly advocated that, in today's world, having social assistance on a company's online channels was important to facilitate customers' purchase process, stating that:

> *It is **important to have someone to assist me**; I want someone to provide me [with] information. It is much easier **to have a human interaction attached to that website where that person is going to provide all the kind of information that you want, all the kind of assistance**. While I am browsing and I have already made up my mind to buy that product, that's when the live chat comes into play because **I am getting a human interaction**, I want to ask as many questions as I want to that person and that person is going to drive me on the website and make me finally complete my purchase smoothly. **People really need to have the reassurance that whenever they are browsing on a website, they can talk to someone** at any point of time, either it's by phone call or live chat. If they constantly see that there is someone there to help them for any*

*questions they might have during their browsing or window looking or even trying to make a purchase, **they feel trust towards that brand's website because they know there is someone who can help them and that's really that human touch that drives that loyalty and really helps them to drive any frequent purchaser.*** [Informant 15; Tony's story]

Social affiliation

The following extracts from Shivon, a marketing manager in her mid-30s who regularly shops online, clearly highlight that the sense of affiliation or connection felt by shoppers toward other members (i.e. shoppers) is an important aspect of their social experience, as she stated:

> *I think, for example, luxury products … people who buy luxury products, they are in this group and **they have been putting [up] reviews and if you have been in this group, it gives you some kind of status** … it feels **good to be part of the group**. When you post something on the social media page of the company and **then people comment, [and] you get connected to those members as well**.* [Informant 14; Shivon's story]

Table 3.2 lists additional quotes supporting the COSE components.

Table 3.2: Quotes supporting COSE components

Theme	Code	Quotes
Perceived social presence	*Human aspect*	*"I will need to know there will be someone I can approach if something goes wrong with my purchase."* [Informant 1, Female, Age 28]
	Sense of not being alone	*"[The] first time you see there is a helpline, you are happy; next time, it's like a reassurance to you; you know there is going to be someone to help you with it, so that makes a lot more sense to me."* [Informant 6, Male, Age 35]
	Self-expression	*"With the live chats, I can express my feelings in some way to the seller and he may improve the service later."* [Informant 13, Female, Age 28]

Social affiliation	Sense of belonging	"When you post something on the social media page of the company and then people comment, you get connected to those members as well." [Informant 14, Female, Age 35]
	Relate self to others	"The company's online channels get you a closer relationship with the product or service [or] whatever is behind [it], but it also brings an exchange with peers who have the same interest as you." [Informant 17, Male, Age 43]

3.3.2.3 Factors influencing COSE

This section discusses the factors influencing COSE, namely, 'channel convenience', 'channel interactivity', 'channel personalisation' and 'self-brand connection (SBC)'. The key difference between the above factors, compared to the drivers influencing OCE (detailed in Section 2.9, Chapter 2), is that the study's factors are explored from an integrated perspective across online channels instead of focusing on only one channel, as shown in the extant OCE literature (Rose et al., 2012; Wang et al., 2007). The current research investigates the influence of 'channel convenience', 'channel interactivity' and 'channel personalisation' across all online channels on COSE, OCE's new dimension. Finally, in relation to OCE, self-brand connection (SBC) to date has not been examined.

Channel convenience

Chloe (in her late 30s) is a teaching officer and a highly frequent online shopper. She pointed out that today companies use numerous channels to promote and sell their products to customers. As indicated by Chloe, accessibility to various online channels facilitates the interaction between a company and its online shoppers. Ellie (aged 24) is a university tutor who expressed support for the idea that companies should use different online channels as customers expect 24/7 accessibility. Hence, both Chloe and Ellie valued the use of various online channels for the sake of convenience, as they stated:

> *... I know that a lot of companies do have **social media like Facebook, Twitter, [a] phone application, and a community platform as well; and they are using***

all these tools to actually help promote their products and also give people the opportunity to communicate amongst themselves and be part or a member of an online group by asking queries or sharing the experience by posting online using different devices. [Informant 2; Chloe's story]

you know as customers we are just moving one channel to another, one platform to another that's why if companies are using a blend of platforms that will give them the opportunity to get more potential customers from the market and for us more accessibility to their offerings. [Informant 10; Ellie's story]

Channel interactivity

Shivon, in her mid-30s and a marketing manager, believed that using social cues on online channels can help the customer's purchase process as they feel more secure. In addition, Brian, aged in his mid-30s and the director of a small and medium-sized enterprise (SME) that sells alcohol products, believed that being able to promote virtual social cues on an online platform can help to make the customer feel safe and that they are being assisted. Similarly, Nathan, in his mid-30s and a marketing professional, seconded the importance of social cues in the online environement to enhance a company's social presence. He assumed that having cues on a website is a method used by companies to help customers move through the purchase stages by creating the notion that someone was helping them during their purchase. Alex (in his late 20s) who enjoys a large amount of browsing before purchasing a product, indicated that a company should be accessible on social networking sites such as Facebook so customers can access and share adequate information in the online environment among their peers and/or community members at any time. Furthermore, he further mentioned that his use of social media has enabled him to find information on products by interacting with the company. All four of these informants pointed out that it was vital to promote assistance and interactivity on an online channel. As they stated:

It will be much easier for me to buy if the assistance was there because instead of looking for the sections, [I can] go back and look for the older collections: if the live chat or any tool was there, like 'Click Here' and I will answer your question, so I could have easily asked if I need this kind of shoes … it would have been easier for me. I think websites are getting more and more assisted now; I have seen most of it [when it] was live chat, like call the agent or call this shop … I think it's good assistance for a customer buying online; you feel more secure, as well that somewhere, there is somebody hosting the website and they know that you are buying so you are really a

*potential client for them and, being a client, **you also feel that you are being taken care of.*** [Informant 14; Shivon's story]

I think the company should **facilitate a conversation between the company and the customers***. I know some companies* **use different tools such as live chat that help** *[in]* **running such conversatios, offer help when required***, build a group of audience and create* **engagement among the members***.* [Informant 5; Brian's story]

… make it available for the customers, so they can easily find it and you don't have to go into contact them every time; **there should be an easily accessible place on the website or on any other online platform where you can ask for help and can express your opinion.** [Informant 6; Nathan's story]

… I go to the company's Facebook page when I really cannot find information on the website or when I am trying to find out some more information and need an instant reply, then I post something on their Facebook page and they are quite responsive. … **For example, when I am looking for camera gear online and I know I have lots of options: I follow [the] relevant stuff on social media; I usually flip through their newsfeed to see what new lenses have come out and if there are any special discounts for members ... it is much easier to use social media and become a follower of a brand online to have all [the] updates and benefits. Besides, when I get something new or interesting, I can easily share that among my network so that everybody has the information.** [Informant 7; Alex's story]

Channel personalisation

The level of personalisation on an online channel was found to be important for Chloe as it made her feel that someone cared about her and knew her needs. As Chloe, in her early 30s, stated:

> ... what this lady has done *[is]* she actually took YouTube videos o*f* her*[self]* showing how comfortable her heels are*;* she was *in six [pairs of shoes with]* 4-5 inch heels running 3.5 kms to prove that her shoes were that comfortable with high heels. Yeah and I guess YouTube has been used to promote her products. **I was just looking at my emails … she has sent me things like, you know,** *[information on]* **the** *five* **kind***s* **of pair***s of* **shoes you should at least have** and stuff like that ... I find it qui*t*e interactive in a sense because it is what a woman would want to know *[about]* shoes and updating *[her]* wardrobe and stuff like that and she has got qui*t*e *a* few YouTube videos to actually show what are the options we could wear. If you want a certain type of heels, they will tell you*:* **you know you can't use this one; this one will suit you better; then even send you personalised offers** … so **I guess this is interactive and personalised to me** in a sense. I have heard many people talking about this website before; people have been shopping there and posting reviews and they rated this as a trusted website as **you seem to be taken care of**. [Informant 22; Chloe's story]

Self-brand connection

The factor 'customer self-brand connection (SBC)' also appeared to influence customer online social experience (COSE). The role of SBC as an external factor influencing social experience was supported by the quote below. Steven (in his mid-30s) is a lecturer and a frequent online shopper. During his interview, he mentioned that he mainly buys from the same websites as they are focused on specific products which match his requirements and self-concept. Brice, a digital marketing specialist in his late 20s, supported Steven's approach, stating that:

> *As I love bicycle things, I have a favourite website for bicycle stuff; it's called [brand] and it is one of those online mega stores so you can see lots of things to buy; there is a lot of choices.* **I really enjoy registering on such a specific website that focuses on what I really want and I feel like I am a part of the company as well as part of the group who are fond of bicycles** *... on this particular website, they also have an e-newsletter and* **they send that to me regularly where I find updates of the products that I like**; *and if I have any queries, it is easy to ask them as* **they have experts within the field who are very responsive** *and* **who can easily understand and respond to my queries***.* [Informant 9; Steven's story]
>
> **Favourite websites match my needs** *and should have at least some sort of human contact.* [Informant 18; Brice's story]

Based on these informants' quotes, it seems that SBC is more a moderator than a direct driver as its influence on COSE seems to be external. For instance, customers who have a high sense of connection with a company are more likely to affiliate themselves with the group of people connected to the company and to give greater weight (i.e. more importance) to the sense of presence available across the company's online channels.

Table 3.3 lists additional quotes supporting the factors that influence customer online social experience (COSE).

Table 3.3: Quotes supporting factors that influence COSE

Theme	Code	Quotes
Channel convenience	*Channel accessibility*	*"I think websites should have phone applications as well so that people can download the app and shop around."* [Informant 16, Male, Age 35] *"... the more you can maximize the spread of channels, the more you can get touch points with your customers."* [Informant 7, Male, Age 27]
	Channel consistency	*"Everything should be updated on the phone and website: people nowadays won't wait if you have outdated products they will not trust your app any more."* [Informant 14, Female, Age 35]
	Channel compatibility	*"People are always on the move ... they always have their phone glued in their hands. From the hospitality perspective, I have seen that 80% of people browse products from their mobile phone first: they choose a product, they want to know more about the product but they will always ... purchase on a website."* [Informant 15, Male, Age 27] *"I would rather look for a company from my phone than having to log on to my computer."* [Informant 11, Female, Age 26]
	Product information	*"I do know that a lot of companies have social media like [social media channels], usually using all these social media to actually help promote their products and also give people knowledge [about] it because they see a trend of people having that social media platform."* [Informant 2, Female, Age 38] *"The type of message, the wording that is being used on different distribution channels, needs to be consistent, need to be the same. I don't want to go on my mobile app on my mobile phone and see for that particular brand, one kind of description and then I would go on the desktop*

		and see something else there and I will be confused. I won't know which is which. There really needs to be consistency in terms of imagery, in terms of text and description, but it should be lighter on the mobile phone compared to the website." [Informant 15; Male, Age 27]
	Special offers	*"If I do go to the company's Facebook page, it's when I really cannot find information or when I am trying to find, you know, sometimes they [have] got [a] voucher code that you can key in and get the discount, I will go and see if they [have] got a voucher code on their Facebook page."* [Informant 7, Male, Age 27]
	Privacy and security	*"... the payment transaction was safe and easy; it didn't take time to load, or [to] process my card and my payment. So it was a safe transaction ... it had Paypal on its social media as well as its website, which is one the biggest transaction companies. Add some security policies and be clear on them, in order to make their clients feel safe and secure when they share their personal information: that's what companies need to do."* [Informant 5, Male, Age 33]
Channel interactivity	*Assistance*	*"[Company X] actually has that live chat feature, you can click that and you can talk to someone. I assume it's someone, I don't know if it's true, but you can talk to someone and tell him that this is my problem, what's going on? So they actually do have live assistance. In a way, I do think it is important; it is useful to have live chat but that system, that service needs to actually work. So if you have someone running the live chat system, it is useful, but they actually need to be able to solve my problem. It makes the online transaction a lot more interactive and if I can't find anything, it definitely makes it a lot better for them to help me out with."* [Informant 9, Male, Age 33]
	Secure feeling	*"Avatars can help new buyers to buy online and it may help us to surf the site and make purchases more safely and more accurately."* [Informant

		13, Female, Age 28]
	Testimonials	*"The information you get on social media is up to date. At the same time, you can see how people are interacting with the brand there so, if you need to make a decision about a brand on Facebook, you can do that in a couple of seconds just by browsing their main website and social media."* [Informant 15, Male, Age 27] *"When I see other shoppers' reviews that the seller replied promptly to their queries or any other after-purchase feedback, I'll go for those."* [Informant 1, Female, Age 28]
Channel personalisation	*Personalised account*	*"I like websites which allow me to log in and stay logged in so I actually don't need to put up a password."* [Informant 9, Male, Age 33] *"I like [brand X] as they store everything in their database. It doesn't matter how long you're not in touch with them; whenever you log in, it will tell you all the details that you bought something five years back, six years back; these are the products similar to that. It is good for customization. I also feel happy because I bought something from [brand X] probably seven or eight months before and now they are still sending me personalised emails and other stuff."* [Informant 10, Female, Age 24]
Self-brand connection (SBC)	*Self-similarity*	*"I go with websites which match my needs."* [Informant 14, Female, Age 35]

3.3.2.4 Consequences of COSE

From the narratives of Sonia and Gregory, three key consequences of COSE were derived, namely: customer 'repurchase intention', 'referral behaviour' and 'customer satisfaction'. These three consequences are similar to the outcome variables found in the existing OCE literature (as detailed in Section 2.10, Chapter 2). However, these

behavioural variables have only been tested on OCE's current dimensions, that is, 'cognitive' and 'affective'. The current study aims to examine whether COSE can lead to these same outcomes, namely: customer 'repurchase intention', 'referral behaviour' and 'customer satisfaction'. Quotes from other informants that support the view that these consequences are as a result of COSE are outlined below.

Repurchase intention

Elise (aged 24) supported the view that it was important for a customer to feel that a human presence was behind the screen in order to be convinced to buy. Thus, promoting socialness on online channels can help to facilitate customers' repurchase intention, with Elise stating that:

> … for me to buy from a company, **I expect them to respond quickly when I ask questions** ... for example, I bought a bracelet and had some query and the **company replied very quickly** and provided useful information regarding my query so such experiences **will definitely make me buy from here again.** [Informant 10; Elise's story]

Referral behaviour

John (aged 25) and Tony (aged 27) explained that while shopping online, the sense of feeling assisted and guided throughout their purchase made their experiences memorable and pushed them to share their experiences with other shoppers:

> … I didn't feel the difference … [between] doing the shopping online or in store. I, as any other traveller, had a lot of questions when buying a ticket such as what's included in the ticket, what the deal is about, etc. So **I just message them on the company's Facebook page; literally, I listed all the queries and they responded to each of my questions** ... **I'm really happy with the experience that I had with that company and the members of its Facebook page as well, they were helpful** regarding the locations to visit so I will definitely **go for that website again in future** and **recommend people** as well to go through them. [Informant 12; John's story]

> If I got the product or the item or the service and the assistance that **I wanted the way that I was really expecting it or it was beyond my expectation then there is a kind of loyalty towards that website … and of course I am going to share my personal experience.** [Informant 15; Tony's story]

Customer satisfaction

Alisha (aged 28) expressed the view that she was really satisfied with her previous experience with a particular retailer due the prompt responsiveness she received during her purchase:

> *[The company]* **responded very quickly** *as I was wondering if I can customize it, right? So I asked her: is it possible to customize it?. She replied very quickly, provided very informed information and things like that which made me* **really satisfied with the (company)'s service.** [Informant 13; Alisha's story]

3.3.3 Cross-case analysis

Cross-case analysis can be used to manage and present qualitative data. This method of analysis is often used to partition and cluster data in various ways (Miles & Huberman, 1984). Evidence from the qualitative study is summarised and coded under broad thematic headings, and then combined within themes. Commonalities and differences between the themes are noted during this process. The next table (Table 3.4) presents the cross-case analysis of the 24 in-depth interviews summarising the key themes to provide a sense of recurring themes and issues. The dominant themes and their corresponding frequencies (number of times the themes were mentioned by the informants) are also presented in Table 3.4. To show the preference of the informants in an organized manner, the themes are first categorised based on the factors influencing COSE and then based on the COSE components. As shown in Table 3.4, in relation to the factors influencing COSE, customers expect: to have live assistance (26) during their online purchase; personalisation (24) on a company's online channels; and that companies will use various channels simultaneously, such as social media, (22) in addition to their website. As for the components of COSE, it is apparent from Table 3.4 that customers expect to feel assisted (30) and a human presence (22) while navigating a company's online channels. They also want to feel a sense of community (16) and to be able to listen to what other shoppers have to say regarding a company (18) but also to share their own views and experiences (12).

Table 3.4: Cross-case analysis: factors and components of COSE

Recurring Themes	Frequency
Factors of COSE	
Company's social media use	22
Easy interaction with company	14
Live assistance	26
Channel access	10
Channel convenience	14
Product updates	13
Self-brand connection	9
Product reviews	11
Privacy and security	10
Personalisation	24
Responsiveness	14
Total number of quotes that mentioned COSE factors	**167**
Components of COSE	
Peer influence	18
Feeling of being assisted	30
Sharing views and experiences	12
Community feeling	16
Human presence	22
Total number of quotes that mentioned COSE components	**98**

3.4 Summary of the findings

This chapter has described the investigation of the three research questions, namely: (i) how can we conceptualise customer online social experience (COSE); (ii) what are the factors that may influence COSE; and (iii) what are the consequences of COSE? Study 1 was based on a qualitative research approach focusing on in-depth interviews as the tool for data collection. The data collected from 24 in-depth interviews were analysed to identify key themes related to the driver, dimensions and consequences of customer online social experience (COSE). Study 1's findings enabled the conceptualisation of COSE by revealing its components, driver and

consequences. The key findings of Study 1, as they relate to the above research questions, are summarised below.

3.4.1 Conceptualisation of COSE

The current study (Study 1) has unveiled the prevalence of OCE's social dimension. Study 1 has also revealed the following two components of COSE:

- ❖ The desire of customers to receive virtual assistance during their online shopping, just the same as they would usually receive from salespeople in the offline context.
- ❖ The tendency of customers to associate with others in their social network while shopping online.

The first component of COSE focuses on customers' need to feel that someone is virtually present to assist them during their online purchase. Hence, the first component is termed 'perceived social presence', which gives them a feeling of security and makes them feel that the company actually caters for their needs across its channels. This argument has been supported by the social presence theory which considers social presence as an integral quality of a communication channel (Short, Williams, & Christie, 1976). Previous studies found that installing the perception of social presence on a company's website can have a positive influence on customers' trust and purchase intention in the online environment (Hassanein & Head, 2007; Gefen & Straub, 2003; Kumar & Benbasat, 2002). The social presence theory and its relevance in this research is discussed in the next chapter (Chapter 4).

The second component of COSE relates to customers' tendency to build relationships and associate with other shoppers who are also shopping online with the same company. From Table 3.2, it can be seen that customers feel the need to look at other shoppers' experiences and comments on the company's website (or other channels) before conducting their purchase. They also value the relationships built across this synchronous communication with other shoppers. Given that the second component reflects association with fellow other custoemrs, this research term it as 'social affiliation'.

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The above findings are in line with the previous literature where the individual's affiliation has been recognised in social psychology as a preference to be with other individuals and engage in relationships (Barrick & Mount, 1991; Sadowski & Cogburn, 1997; Cheek & Buss, 1981). Scheier and Carver (1992) argued that individuals with a high need for social affiliation are intrinsically motivated to build and value their relationships with others. Consequently, the current research investigated how the factors revealed in the qualitative findings could enhance customers' perceptions of social presence (virtual assistance) and affiliation (relationships between customers and between businesses and customers) during their purchase journey across a company's various online channels.

The psychological impression of COSE involves a sense of virtual presence and community and is clearly distinct from customers' cognitive and affective states of mind. Hence, while shopping online, customers today feel that, instead of being alone, they belong to a specific community; and that they have the opportunity to express themselves to and share their queries with the company and other customers through online platforms and their interactive cues.

3.4.2 Factors influencing COSE: Omni-channel management and self-brand connection

Customer online social experience (COSE) is found to be influenced by 'channel convenience', 'channel interactivity' and 'channel personalisation'. Online 'channel convenience' refers to the company's channel adaptation and management efforts to ensure the operationalisation and accessibility of its online channels to promote seamless experience and performance across all channels. As indicated by the informants (see Table 3.3), customers expect to have access to the company's online channels on various devices and to have consistent information across the channels as well as assurance of their security and privacy. This aligns with the research findings of Brynjolfsson et al. (2013) and Piotrowicz and Cuthbertson (2014) which highlighted that customers expect companies to allow them to complete their purchase across different channels and devices; for instance, customers can start browsing for a product on their mobile application and purchase it via their desktop. The second aspect, online 'channel interactivity', refers to companies' incorporation of social cues such as live chats and avatars so customers feel assisted on all their

online channels (see informant quotes in Table 3.3). Wang et al. (2007) highlighted the importance of interactive (social) promotional cues on online channels, such as websites to facilitate the customer's purchase process due to the customer feeling that he/she was being attended to. Customers should also be able to interact with other shoppers on the company's online channels. The third aspect, online 'channel personalisation', was also perceived to influence COSE and can be defined as the degree to which online channels are being cohesively tailored to their users. Informants mentioned that they expected online companies to remember their personal details to save time during their next purchase and to avoid the need to provide their personal information again before purchasing their product/service. They enjoyed having a personalised shopping account which they expected to be transferred across the company's online channels. Devaraj, Fan and Kohli's (2006) research indicated that as online channels can record and store the history of customers' preferences they have the advantage over traditional channels of being able to provide a more personalised service.

As described by Verhoef et al. (2015), omni-channel management (OCM) refers to the management of the numerous channels and customer touch points to provide a seamless experience to customers. Based on the scope of the current research and the qualitative findings from Chapter 3, this research has refined the concept of OCM in the online environment by focusing predominantly on two key components of a company's online channels, namely, 'channel functionality' and 'channel integration'. These components cover the three aspects revealed as important in influencing COSE, as found in Study 1's findings, namely, 'channel convenience', 'channel personalisation' and 'channel interactivity'. The first component, 'channel functionality', covers the convenience (such as 24/7 accessibility, customers' privacy and payment security across channels) and personalisation aspects of online channels. 'Channel integration' focuses on the interactivity aspect available through interaction from customer to company as well as customer-to-customer (C2C) interaction. From the qualitative findings, it appears that online omni-channel management (OCM) is the key driver of customer online social experience (COSE). The conceptual boundary of this new construct (OCM) and its components ('channel functionality' and 'channel integration') are discussed in more detail in the following chapter (Chapter 4).

An additional factor, 'self-brand connection (SBC)' was suggested as having a moderating impact on customer online social experience (COSE). Informants mentioned that they would usually use a company's channel that they can associate themselves to, and align with their interests. Self-brand connection (SBC) in this study refers to the connection between the company and customers' self-concept.

3.4.3 Consequences of COSE: Repurchase intention and referral behaviour

The qualitative findings indicated alternative consequences of customer online social experience (COSE). The identified outcomes of COSE were: online users' repurchase intention, referral behaviour and satisfaction. Informants mentioned that if they felt assisted by the company and had a good relationship with its other online shoppers, they were highly likely to share their experience and to repurchase from the same company as they would be satisfied with their experience (see Section 3.3.2.4). Of these three consequences, the current research has only explored customer repurchase intention and referral behaviour in Study 2, the rationale of which has been discussed in Chapter 4 (Section 4.0).

3.5 Conclusion

This chapter has addressed the research questions outlined in Chapter 1 using a qualitative research method. An idiographic analysis was conducted by reading each informant's interview transcript and the key quotes. In total, 30 OCE narratives were reported from 24 informants using in-depth interviews. Using deductive thematic analysis, this research revealed the key components of COSE ('perceived social presence' and 'social affiliation'); the potential driver of COSE (termed as OCM); and the consequences of COSE (repurchase intention and referral behaviour). As neither COSE nor OCM had applicable measures in the online context, this research sought to develop both scales, as described in subsequent chapters. In addition, self-brand connection (SBC) was recognised as a potential moderator influencing customer online social experience (COSE).

Based on Study 1's qualitative findings, Chapter 4 investigates the conceptual scope of the driver of COSE, the components of COSE and the consequences of customer online social experience (COSE). The moderating impact of self-brand connection (SBC) is also discussed. In Chapter 4, a conceptual framework is also proposed based on theoretical underpinnings and hypotheses.

CHAPTER 4
CONCEPTUAL FRAMEWORK AND HYPOTHESES

4.0 Introduction

Study 1's findings revealed two key components of COSE, that is, 'perceived social presence' and 'social affiliation'. The findings indicated the role of online omni-channel management (OCM) in influencing customer online social experience (COSE). Study 1 revealed that customers' self-brand connection (SBC) to a brand or company may influence the OCM–COSE relationship. The key consequences of COSE revealed in Study 1 included customers' repurchase intention, referral behaviour and satisfaction. The concept of customer satisfaction has already been widely researched in previous online retailing studies (Rose et al., 2011; Rose et al., 2012; Jin & Park, 2006; Homburg et al., 2006; Janda & Ybarra, 2005). Hence, for the current research, only repurchase intention and referral behaviour are considered as COSE's two key outcomes. The current chapter outlines the theoretical background explaining COSE, OCM and the link between the two constructs. The following discussion presents a conceptual framework to test the factors and consequences of COSE followed by a detailed discussion of the relevant hypotheses.

4.1 Theoretical Underpinnings

The concept of COSE and how it is influenced by OCM can be explained by social presence theory and social response theory, respectively. The concept of social presence was introduced in the context of the communication medium by Short, Williams and Christie (1976) who defined it as "a quality of a medium itself" (p. 65). Social presence theory was developed to explain the effect of telecommunications media on communication and focuses on the "degree of salience of the other person in the interaction and the consequent salience of interpersonal relationships" (Short et al., p. 65). Social presence is also referred to as the extent to which a person is perceived as a 'real person' in a mediated communication (Gunawardena, 1995). Under this theory, social presence is a fundamental factor of the communication media, focusing on the level at which people are involved in a transaction via that media and the extent to which they feel socially aware of each other (Short et al.,

1976). Social presence constitutes two key components: the concepts of 'immediacy' (Wiener & Mehrabian, 1968) and 'intimacy' (Argyle & Dean, 1965). The concept of 'immediacy' relates to the extent of psychological distance between the communicator and his/her recipients (Wiener & Mehrabian, 1968). Immediacy measures interpersonal communication to assess to what degree interactivity is being achieved behaviourally and perceptually (Zhang & Oetzel, 2006; Burgoon et al., 2002; Burgoon et al., 2000). The concept of 'intimacy' refers to the verbal and non-verbal behaviour (e.g. eye contact, personal conversations, smiling) and is subconsciously maintained in equilibrium at an appropriate level by the interactors (Argyle & Dean, 1965). Intimacy measures the extent to which people take care, trust, express themselves and form relationships with others (Biocca, Harms, & Burgoon, 2003; Sternberg, 1997).

In this research, the concepts of 'immediacy' and 'intimacy' from social presence theory are used to explain COSE and its key components, namely, 'perceived social presence' and 'social affiliation'. In the online environment, social presence is often reflected through using social cues that enable immediate social interaction between customers and companies in an online environment (Lombard & Ditton, 1997). The social presence cues present elements of human interaction, such as images of a person or a socially descriptive text, but they do not necessarily directly relate to customer service (Ogonowski et al., 2014; Qiu & Benbasat, 2005). Given that the concept of 'immediacy' focuses on the extent of psychological distance between the partners in a mediated communication, cues related to social presence (under COSE) emphasize the reduction in psychological distance between the company and its online customers (i.e. communication partners) through a sense of human warmth and socialness (Hassanein & Head, 2004; Nass & Steuer, 1993). Social presence can be embedded and it ranges from no social presence at all to having a real person present (on the other side of the screen) during the interaction of the customer and the medium (Wang et al., 2007). Therefore, promoting a sense of immediacy can facilitate a sense of perceived social presence across a company's online channels.

The concept of intimacy can explain the social affiliation felt by customers during their online purchase. As indicated by Swan and Shih (2005, p. 115), social presence is perceived as "the degree to which participants in a computer-mediated

communication feel actively connected one to another". Connectivity is referred to as users' consciousness of a mediated environment which is toward the presence of other human beings with whom they feel socially affiliated (Bhatt, 2004). Companies' online channels can facilitate this sense of connectivity and affiliation by allowing shoppers to help as well as interacting and sharing their experience with each other (Baldus et al., 2015). Therefore, encouraging the presence of other shoppers on a company's online channels can assist a user to connect more and obtain the feeling of human contact and intimacy towards each other which simultaneously will make the channel feel "visually appealing, warm, personal and sociable" (Cyr et al., 2009, p. 541). Given that the concept of intimacy relates to the extent to which people express and build relationships with others (Sternberg, 1997), this indicates that evoking a sense of intimacy through the presence of online shoppers across a company's online channels can facilitate customers' social affiliation.

Social response theory, as originated by Moon (2000), explains the OCM–COSE relationship. According to this theory, individuals tend to treat computers as social actors rather than a medium despite acknowledging that computers do not possess feelings, personalities or human motivations (Nass & Moon, 2000). When presented with IT that possesses a set of human characteristics (e.g. interactivity), individuals tend to follow social rules and/or social behaviours when responding to computers that exhibit human-like attributes or social cues (Reeves & Nass, 1996). As a result, many of the social conventions that guide interpersonal behaviour are also evident in human–computer interaction (Reeves & Nass, 1996). Social response theory considers computers not only as a source of communication (i.e. as 'actors') but also argues that when individuals interact with a given computer, that interaction has subsequent effects on future interactions with the same computer (Moon, 2000). The ability of computers to operate as social actors primarily depends on the availability and functioning of embedded interactive and language cues, such as photos, video, text or speech, that are available on online channels to elicit favourable customer responses (Riegelsberger et al., 2001). For example, past research has found that users tend to orient themselves psychologically to voice (as a social cue), so different voices originating from the same computer are regarded as distinct social actors, while a single voice originating from two identical computers is regarded as a single

social actor (Nass, Moon, & Green, 1997). This means that individuals tend to develop relationships with the computer itself with the help of various social cues (e.g. interactive and language cues).

Furthermore, social response theory asserts that humans are evolutionarily biased toward a social orientation (Reeves & Nass, 1996), with this becoming more pronounced when humans are confronted with a technology that exhibits human-like characteristics (Moon, 2000). The integration of human-like characteristics (i.e social cues) into websites can increase a user's perception of employee presence, thus enhancing the online experience (Huang & Lin, 2011). By displaying social cues on their online channels, companies ensure reciprocal communication and promote social interactivity across these channels (Jiang et al., 2010; Reeves & Nass, 1996) which engender arousal in individuals' minds, thus inducing them to engage in knowledge sharing and social support behaviours (Huang & Lin, 2011). This shows that a company's efforts towards OCM can enhance their customers' social experiences. Omni-channel management (OCM) is the effective management of numerous online channels so a unified customer experience can be offered across those channels (Verhoef et al., 2015). As shown in Study 1's findings, OCM includes two components, namely, 'channel functionality' and 'channel integration'. Thus, the smooth functioning of the online channels of the company and the integration of the relevant social and interactive cues across all the online channels are likely to enhance the customer online social experience (COSE) in terms of conveying a sense of social presence and affiliation to customers, with this being in line with social response theory.

In the next sections, the conceptual domains of OCM and COSE are discussed.

4.2 Omni-channel Management

Customers' experience with a company is developed when different channels of a company work in an integrated manner (Payne & Frow, 2004). The company needs to make the relevant information about its products and prices available across different channels to facilitate customers' purchases on the channel that they prefer. The use of different channels by customers at different stages of their purchase process can help to explain the importance of companies using an omni-channel

strategy (Rigby, 2011; Ortis & Casoli, 2009). Customers expect companies' products and services to be presented and priced on their online channels as they are showcased in the companies' offline stores (if any) (Verhoef et al., 2015). Effective OCM offers a seamless experience (i.e without any rupture) when the online shopper can move effortlessly from one channel to another. As discussed in Chapter 3 (Section 3.4.2), under the broad umbrella of online OCM, this research proposed two key components for OCM, that is, 'channel functionality' and 'channel intergration'. The following discussion outlines the conceptual scope of OCM based on these two components.

It is important that companies ensure their presence and the functioning of their channels by promoting the maximum availability of information, visibility and consistency as it can affect customers' evaluation of their whole purchase journey (Piotrowicz & Cuthbertson, 2014). Customers often use their mobile devices (e.g. smartphones, tablets) to search for information on products, compare prices online and look on social media for reviews from other shoppers and then complete their purchase from another device (Verhoef et al., 2015). Hence, they need to be able to switch from one channel to another (i.e. a customer in his/her purchase stage who holds an account with a company should be able to move from a company's website to a mobile app with all their personal data saved) (Brynjolfsson et al., 2013; Piotrowicz & Cuthbertson, 2014; Rigby, 2011). For customers to be offered this experience, all alternative channels need to function properly and seamlessly.

In the current research, the first key component of OCM, that is, 'channel functionality' is defined as the optimized functionality across online channels that promotes a seamless experience and performance across all channels. Privacy and payment security are key parts of the functionality of an online channel: customers expect companies to ensure their privacy and security across all its online channels and all devices used. This sense of security is one of the key considerations for customers and can hinder their purchase decision (Close & Kukar-Kinney, 2010; Suh & Han, 2003). A company's omni-channel also comprises various communication media, such as email, referral websites, social media pages and affiliates (Verhoef et al., 2015). Customers expect a certain level of personalisation while engaged on online channels and evaluate the extent to which the channels can be tailored to their

preferences, purchase histories and way of shopping (Parasuraman, Zeithaml, & Malhotra, 2005). Personalisation activities by a company (e.g. emails about discounted products, sending season's greetings and birthday cards) also make customers feel valued by the company's efforts, thus reinforcing the level of the online channel's social activity (Wolfinbarger & Gilly, 2003).

The second key component of OCM is 'channel integration', in other words, the integration of social cues on the company's online channels. To be specific, this research defines channel integration as the integration of interactive cues in such a way that customer–company and customer–customer interactions are promoted across all the online channels. Features such as artificial intelligence and seamless social networking, as developed in Web 2.0 and Web 3.0 (the semantic web), have facilitated a higher level of C2C and B2C interactions through the use of various social cues such as avatars, live chat, reviews, etc. (Hennig-Thurau et al., 2010). Online channels provide different platforms for reciprocal social interaction such as social media, forums, user-generated content and reviews (Dwyer, 2007; Mahajan, Muller, & Bass, 1991). Companies also implement human-like characteristics (e.g. avatars, live chat, 24/7 online agents, personalised greetings, virtual communities) across their channels to make customers feel assisted and to build a relationship between customers, the company and its other online shoppers (Baldus, Voorhees, & Calantone, 2015; Wang et al., 2007). Customers' interactions on social media with other customers can have an impact on their purchase decisions (Baxendale, Macdonald, & Wilson, 2015). Customers not only expect to be able to ask a query during their online purchase but also like to share and respond to any reviews or comments from other online shoppers on companies' online channels (Chen, Fay, & Wang, 2011). These expectations and needs of customers can be met by ensuring the smooth integration of social tools across the company's online channels which subsequently facilitates the building of connections between shoppers (Jiang et al., 2010).

4.3 Customer Online Social Experience (COSE)

Study 1's findings indicated that customers expect to receive virtual assistance and to feel the virtual presence of the salesperson while shopping online. Customers' expectations of experiencing a company's virtual presence and a sense of belonging

to a company's social group during their online experience are broadly termed as customer online social experience (COSE). Based on the findings of Study 1, COSE includes two key components: 'perceived social presence' and 'social affiliation'.

'Social presence', as defined by the previous research (Wang et al., 2007; Yoo & Alavi, 2001), is the psychological connection enhanced by several social features that leads the user to a feeling of human contact, thus developing a social bond with the company and facilitating their navigation through the company's website. Based on Study 1's findings, the current research describes 'perceived social presence' as a customer's sense of being assisted on a company's online channels. It includes the sense of the company being (virtually) present to help customers when they are shopping online. 'Social affiliation', the second key component of COSE, relates to the customer's feeling of being associated with a company's online shoppers and community. Members of such a community often feel a strong connection with each other despite never having physically met one another (Muñiz & O'Guinn, 2001). Customers engage on online channels (i.e communities) to meet their social needs by supporting other members, sharing their thoughts and being accepted in a group (Lee, Kim, & Kim, 2011; Dholakia et al., 2004). Social media sites allow the creation and exchange of user-generated content: by joining social media, individuals often fulfil their needs to belong to a community and to know other individuals who have shared norms, values and interests (Kaplan & Haenlein, 2010; Gangadharbatla, 2008). Customers use social media to engage with companies, build relationships with other shoppers and create a more tailored and interpersonal relationship with companies (Rapp et al., 2013; Keenan & Shiri, 2009). Research has identified that social networking sites, as part of a company's online channels, can enhance a customer's social connectedness towards the brand and its online members (Grieve, Indian, Witteveen, Tolan, & Marrington, 2013).

Although the 'social affiliation' component of COSE reflects C2C communication, COSE is distinct from what has been found in the conventional C2C interaction literature. The reason is that it includes another key component, 'perceived social presence', that focuses on virtual assistance, the feeling of not being alone and personalness which have not been covered in the C2C concept in previous studies (Brocato et al., 2012; Libai et al., 2010). For instance, Libai et al. (p. 269) defined

C2C interactions as "the transfer of information from one customer (or a group of customers) to another customer (or group of customers) in a way that has the potential to change their preferences, actual purchase behavior, or the way they further interact with others". However, this definition of C2C interaction does not reflect the aspects of feeling someone else's presence and personalised attention which are aspects covered by the second component of COSE, namely, 'perceived social presence'.

The components of OCM, namely, 'channel functionality' and 'channel integration' as well as the components of COSE, that is, 'perceived social presence' and 'social affiliation', as identified in Study 1, are only indicative; thus, they need further investigation. This was conducted in Study 2 which aimed to examine the existence of these components. The following section proposes a conceptual framework and the hypotheses related to the constructs of interest and their interrelationships which are tested in Study 2 (as reported in Chapter 5).

4.4 Conceptual Framework and Hypotheses

The conceptual framework for this research is illustrated in Figure 4.1. The framework starts with OCM and its components that could affect COSE and its components. From there, it moves to customers' behavioural outcomes (repurchase intention and referral behaviour, with self-brand connection (SBC) as a moderating variable.
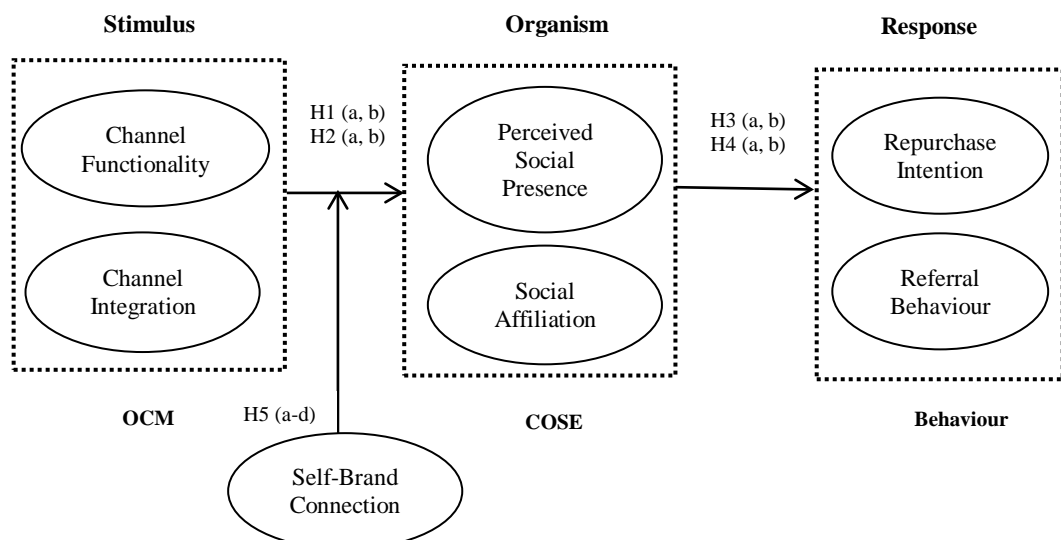
Figure 4.1: Conceptual framework

The overall proposed framework, as shown in Figure 4.1, can be explained with the stimulus-organism-response (S-O-R) framework developed by Mehrabian and Russell (1974). The S-O-R framework suggests that individuals' actions are directly or indirectly influenced by their surrounding environment. The stimulus/stimuli are defined as factors that affect an individual's internal state and can be conceptualised as an influence that stimulates the individual (Eroglu et al., 2001). As suggested by Bagozzi (1986), when customer behaviour is portrayed as an S-O-R system, the stimuli are external to the individual and can consist of both marketing mix variables and other environmental inputs. In the current research, the stimuli are the OCM components ('channel functionality' and 'channel integration') as these are customers' perceptions of a company efforts and will be likely to act as triggers in customers' mental processes. The term 'organism' refers to 'internal processes and structures intervening between stimuli external to the person and the final actions, reactions, or responses emitted. The intervening processes and structures consist of perceptual, physiological, feeling, and thinking activities' (Bagozzi, 1986, p. 46). The original S-O-R model focused on pleasure, arousal and dominance (PAD), combining the affective, or emotional, and cognitive states and processes and mediated the relationship between the stimulus and the individual's behavioural responses (Mehrabian & Russell, 1974). In the current research, the COSE components namely, 'perceived social presence' and 'social affiliation' represent the the organism component. This component considers 'perceived social presence' and 'social affiliation' as mental senses that customers possess driven by the company stimuli, the OCM components. Response in the S-O-R paradigm represents the outcomes and decisions of customers which can be either approach or avoidance behaviours (Donovan & Rossiter, 1982; Sherman, Mathur, & Smith 1997). The current research focuses on customers' behavioural outcomes (repurchase intention) and (referral behaviour) as responses to the organism, namely, customer online social behaviour (COSE). The specific path relationships of the conceptual framework under the respective hypotheses are discussed in the following sections.

Companies are trying to meet customers' expectations by promoting 24/7 access to their online channels, protecting customers' payments and personal details, and transmitting their account across channels (Verhoef et al., 2015; Rose et al., 2011; Verhoef et al., 2007). By promoting these aspects on their online channels,

companies are ensuring that they are always at the service of their customers, reducing the extent of psychological distance between the company and the customer, which is in line with the 'immediacy' component of social presence theory (Zhang & Oetzel, 2006; Wiener & Mehrabian, 1968). To create a virtual experience and entice customers to their channels, companies promote customer–brand channel interactions across various channels (Verhoef et al., 2015; Kumar & Benbasat, 2002). Companies are using various online channels, such as social media, to make customers feel part of a community and to build a sense of intimacy between shoppers (Brodie et al., 2013; Rapp et al., 2013). Through firstly warranting functionality across the company's online channels, the customer's uncertainty is eased as the company is not only able to instantly respond to its customers but also enables shoppers to build relationships between themselves (Melero, Sese, & Verhoef, 2016; Baldus et al., 2015). Thus, the following hypotheses were proposed:

Hypothesis 1(a): Channel functionality has a positive effect on customer-perceived social presence.

Hypothesis 1(b): Channel functionality has a positive effect on customer social affiliation.

The existing research (e.g. Reeves & Nass, 1996) has inferred that the integration of emotional or social cues in an online environment could be a notable success factor for e-businesses as these cues can help to increase the level of socialness. Social tools, such as live chats and avatars, are the essence of what can give customers a sense of social presence on the online channel, just like what they would encounter in an offline store with a sales representative (Wang et al., 2007). Virtual salespersons assist customers and provide a socially engaging environment that enhances social presence (Moon et al., 2010). The integration of social cues on a company's online channel can increase a user's perception of employee presence (Huang & Lin, 2011). Companies ensure that their online channels provide a sense of social presence that is clearly visible to their online shoppers (Jahng, Jain, & Ramamurthy, 2007). Warranting that the interactive cues are visible on each online channel is vital, as customers may have queries at any time of the day. If the channels' interactive cues do not work properly, customers might not be able to obtain the assistance required and might abandon their shopping cart (Kukar-Kinney & Close, 2010; Wang et al.,

2007) Hence, by correctly installing social cues on their online channels, companies entice the individual's responses as, based on social response theory, individuals tend to apply social rules to computers if they perceive that the computers possess human-like attributes or social cues (Huang & Lin, 2011; Moon, 2000, Reeves & Nass, 1996).

The use of social cues on online channels not only promotes customer–company interaction but also promotes customer–customer interaction. Bilgihan et al.'s (2016, p. 110) study outlined that "online social interactions enable customers to perceive themselves as members of a community, and the underlying social characteristics of such interactions form the sociability experience of the customer". With the use of social media as an interactive channel, companies empower their customers to share their thoughts with others, giving them a sense of belonging to a community and social approval from other members (Chen et al., 2011). As 'channel integration' focuses on the interactivity between shoppers on online channels, the presence and communication between shoppers on a company's online channels can convey a sense of social affiliation which is supported by the 'intimacy' concept of social presence theory (Biocca et al., 2003). The use of online channels, such as social media, to enhance the closeness and interaction between shoppers further reinforces the concept of intimacy. Hence, the research proposed the following hypotheses:

Hypothesis 2(a): Channel integration has a positive effect on customer-perceived social presence.

Hypothesis 2(b): Channel integration has a positive effect on customer social affiliation.

Customers' perceptions of a company's social presence positively influence their trust towards that company and their intentions to purchase the company's products or services (Gefen & Straub, 2003). In their study, Cyr, Hassanein, Head and Ivanov (2007) showed that a higher perceived social presence results in higher e-loyalty. If customers feel that they are being taken care of and attended to in relation to their query, they tend to be more loyal towards that particular company and share their experience with other online shoppers on social media (Wang et al., 2007; Rapp et al., 2013). As discussed previously, social presence refers to the perception of

personal, sociable, sensitive human aspects on an online channel (Ogonowski, Montandon, Botha, & Reyneke, 2014; Gefen & Straub, 2004). Wakefield et al. (2011) proposed that if a user experiences a positive affect through the social aspects conveyed on a company's online channel, he/she may use the channel from a sense of loyalty and commitment towards the company (Wakefield et al., 2011). A study by Jahng et al. (2007) suggested that promoting interactive elements on e-commerce platforms induces customers' positive attitudes and intentions to use those e-commerce channels. Simon (2000) also indicated that customers are encouraged to purchase with less dissonance by a higher perceived social presence on online channels. Hence, the following hypotheses were put forward:

Hypothesis 3(a): Customer-perceived social presence positively influences customer repurchase intention.

Hypothesis 3(b): Customer-perceived social presence positively influences customer referral behaviour.

The shared consciousness and affiliation between community members reinforce the interpersonal ties in the community and enhance community members' willingness to refer the company to others, sharing their experience and supporting each other within that particular community (Laroche, Habibi, Richard, & Sankaranarayanana, 2012; Walther, 1996). The 'consciousness of kind' from Gusfield (1978) is the shared intrinsic connection between community members. Weber (1978) added to this concept by stating that it is the shared knowing of belonging. An individual feeling of being socially connected is a key element in one's psychological sense of being part of a community (Sarason, 1974). Customers feel more at ease about expressing their views once they feel a sense of belonging to a community (Berkvist & Bech-Larsen, 2010). Online users who have intrinsic motivation, demonstrated by actions such as regularly sharing their experiences and knowledge on a community's page, are individuals who are affiliated with a company and want the best for its online members and the brand in general (Cheung & Lee, 2012). Customers' high levels of propensity to shop in a particular e-store can be evoked by their positive evaluation of company channel's service quality or sense of affiliation (Bergkvist & Bech-Larsen, 2010; Baker et al., 2002). Hence, the next hypotheses proposed were:

Hypothesis 4(a): Customer social affiliation positively influences customer repurchase intention.

Hypothesis 4(b): Customer social affiliation positively influences customer referral behaviour.

Customers who perceive that their values and expectations are allied with a product/service offered by a brand will be likely to positively evaluate and develop an emotional bond and affiliation with that particular brand (Stokburger-Sauer et al., 2012; WhanPark, MacInnis, Priester, Eisingerich, & Lacobucci, 2010). This match or connection between the brand and the individual's self is termed 'self-brand connection (SBC)'. To be specific, SBC relates to the "strength of the connection between perceived brand meaning (including image and brand personality), and the customer's self-concept" (Moore & Homer, 2008, p. 708). As indicated by Fournier (1998), feeling strongly connected to a brand is not equivalent to a customer–brand relationship as it does not imply that brands are active relationship partners but that they serve as vessels of symbolic meaning that customers use instrumentally to achieve goals motivated by the self (Escalas & Bettman, 2005). Positive brand connotation can transfer from a retailer's offline channel to its online channel and create a halo effect for customers' experiences on that channel (Kwon & Lennon, 2009). Moreover, customers who commit themselves to a brand's online community share the same consciousness that other members also have towards that brand (Zhou, Zhang, Su, & Zhou, 2012). Customers' perceived connection between their actual self and that of the company could influence their activities across that company's channels as they consider themselves to be organizational insiders (Bhattacharya & Sen, 2003). Hence, the following hypotheses are proposed:

Hypothesis 5(a): The effect of channel functionality on perceived social presence is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.

Hypothesis 5(b): The effect of channel functionality on social affiliation is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.

Hypothesis 5(c): The effect of channel integration on perceived social presence is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.

Hypothesis 5(d): The effect of channel integration on social affiliation is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.

4.5 Conclusions and Chapter Summary

In this chapter, the conceptual domains of COSE and OCM have been discussed based on Study 1's findings and theoretical support from the existing literature. The chapter has discussed the key driver (OCM) of COSE and its prospective components, namely, 'channel functionality' and 'channel integration'; the indicative components of COSE, that is, 'perceived social presence' and 'social affiliation'; and the consequences of COSE (repurchase intention and referral behaviour). The moderating role of self-brand connection (SBC) has also been outlined. The current chapter also introduced the proposed conceptual framework and outlined the hypotheses that are underpinned by key theories: the 'stimulus-organism-response (S-O-R) framework', 'social presence theory', 'social response theory' and the existing literature. Due to the non-existence of established measures for COSE and OCM, the following chapter (Chapter 5) provides details of Study 2 which aimed to develop and validate the scales of online omni-channel management (OCM) and customer online social experience (COSE). In addition, Study 2's methods and the analysis conducted to develop the scales for COSE and OCM are explained.

CHAPTER 5: STUDY 2
DEVELOPING AND VALIDATING MEASURES
FOR COSE AND OCM

5.0 Introduction

Based on the key findings of Study 1 (qualitative analysis), this chapter focuses on Study 2 (quantitative analysis) with the aim of developing scales for online omni-channel management (OCM) and customer online social experience (COSE). Firstly, the process carried out to develop the scales for both COSE and OCM is elaborated. Secondly, to validate the measures of COSE and OCM, a structural model of COSE (as outlined in Chapter 4, Figure 4.1) is tested. This chapter also presents the data analysis and results of the scale development process and the structural model testing.

5.1 Scale Development Process

As identified in the previous chapters, there are gaps in the literature due to the absence of scales to measure online omni-channel management (OCM) and customer online social experience (COSE). The process undertaken by the current research for the scale development for COSE and OCM is outlined to address the current empirical shortcomings in the online retailing and customer experience literature. To develop measures for COSE and OCM, this research followed the procedures of Churchill (1979), which have been used by scholars in recent times such as Böttger et al. (2017) (published in Journal of Marketing) and Hollebeek et al. (2014) (published in Journal of Interactive Marketing).The scale development procedure is presented in Figure 5.1 below.

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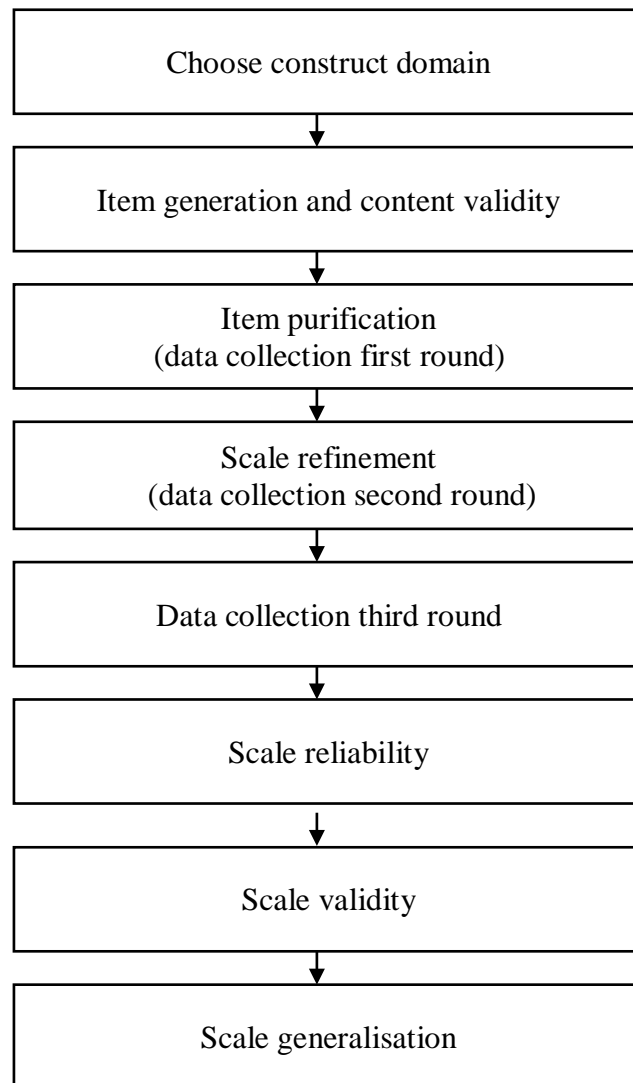
Adapted from Churchill (1979)

Figure 5.1: Scale development procedures

The subsequent subsections describe the eight steps conducted for the COSE and OCM scale development process. The research's instruments and techniques of statistical analysis are also highlighted.

5.1.1 Construct domain

As suggested by Churchill (1979), to develop a measure, it is important to understand the construct domain and to verify whether the targeted construct being developed is clearly distinct from similar existing ones. Chapter 2 reviewed the literature on online customer experience (OCE) and found that there is an absence of a definition and measure for customer online social experience (COSE). As a construct, COSE

conceptually differs from the OCE cognitive and affective dimensions, previously discussed in Chapter 2. As discussed in Chapter 3, COSE involves the mental impressions of customers when influenced by the virtual social exchanges they have while interacting with the company across various online platforms. These mental impressions involve a sense of social presence and affiliation which are clearly distinct from the existing conceptualisation of OCE, namely, from customers' cognitive (the individuals' conscious mental processes) and affective (emotional) states of mind.

In addition, as argued in Chapters 1 and Chapter 2, omni-channel management (OCM) has been investigated inadequately and there is no scale to measure OCM despite the acknowledgment of the importance of understanding a company's omni-channel performance in the online environment (Berry et al., 2010; Verhoef et al., 2015). Most scales used in the previous retailing literature have focused on measuring one channel's performance at a time (Wang et al., 2007). The current research has adopted an integrative view of a company's online channel: based on Study 1's qualitative findings and Chapter 4's discussion, this integrative view is termed 'omni-channel management (OCM)' (Verhoef et al., 2015). As described in the previous chapter, OCM comprises two key components, namely, 'channel functionality' and 'channel integration'. The key difference between OCM and previous constructs, such as multi-channel and cross-channel, is that OCM focuses on the seamless experience of customers and the integration of all online channels.

Therefore, the importance of COSE and OCM in the online environment has been argued and an attempt to develop scales to measure both constructs is described in the next subsections.

5.1.2 Item generation and content validity

The second step undertaken for scale development is to generate a pool of items that relate to the components of each construct domain (Churchill, 1979): in this research, COSE and OCM are the constructs of concern. In any scale development process, it is important to ensure that the items cover all potential aspects of the construct (Churchill, 1979). As suggested by DeVillis (1991), the items should align with the latent variable and the construct of interest. The items should also have a certain

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level of redundancy to facilitate the scale refinement and purification process. It is recommended that the generated pool of items could be up to four times as large as the research's final scale but that exceeding this amount of items might reduce the intended meaning of the items and lead to ambiguity (DeVillis, 1991). Lengthy items should be avoided as this can lead to respondents' feelings of ambiguity while evaluating the items (Churchill, 1979; DeVillis, 1991). As indicated by Hinkin (1995), both a deductive approach (using the literature review to understand the construct's conceptual boundary) and an inductive approach (enhancing the understanding of the construct based on informants' insights) can be used to derive a sample of items for the construct of interest. The items can also be reviewed by experts for face validity to evaluate whether the pool of items appear to measure the construct of interest (Nunnally & Bernstein, 1994).

As the aim of the scale development process is to develop scales that could reliably and validly measure the underlying dimensions of COSE and OCM, the exhaustiveness and limited redundancy of the items listed should warrant relevant and actionable scale items for each construct. As described above, both deductive and inductive approaches were employed to generate the items. With this perspective in mind, the findings from the qualitative study (Study 1: inductive approach), along with the review of the supporting literature (deductive approach) and prior research were used to derive an initial list of items to represent the two components of OCM ('channel functionality' and 'channel integration') and the two components of COSE ('perceived social presence' and 'social affiliation'). The sample of items generated should accord with the components specified in the construct domain (Churchill, 1979). Hence, 77 items in total were generated composed of an initial pool of 46 items for customer online social experience (COSE) and 31 items for omni-channel management (OCM).

To undertake the first review of the initial set of items, face and content validity processes were conducted twice, involving 10 marketing experts (four highly ranked industry professionals, one professor, three PhD graduates and two lecturers). The experts either researched or worked within the field of customer experience and digital marketing. The initial items were evaluated and reviewed by the experts, with this process enabling the reduction of the initial pool of scale items for both COSE

and OCM, as previously identified. The experts evaluated the extent to which each item was representative of the operational definition of the COSE and OCM components (DeVillis, 2003; Bloch, Brunel, & Arnold, 2003; Bearden, Netemeyer, & Teel, 1989). Following Malhotra (1981), if less than two-thirds of the experts identified an item as being representative of each construct's focal components, that particular item was removed. In addition, item deletions were based on the duplication of item scope or content and lesser applicability to the construct.

For the first expert review process (comprising one professor, one lecturer, two PhD graduates in marketing and one industry expert), 30 items were retained for COSE and 21 items for omni-channel management (OCM). The remaining items were again reviewed by a second set of experts (comprising three industry experts, one PhD graduate in marketing and one lecturer). The outcome of this second review panel resulted in the retention of 23 items for COSE and 12 items for omni-channel management (OCM). The retained items were then developed and measured using a seven-point Likert-type scale anchored by 1 = "strongly disagree" and 7 = "strongly agree". Tables 5.1 and 5.2 provide a list of these items.

Table 5.1: Pool of items for COSE

Items for COSE	Outcome of experts' review
1. I feel connected to people who shop on this company's online channels.	**Yes**
2. I feel comfortable with this company's online channels.	No
3. I am attached to this company's online shoppers.	**Yes**
4. I am actively involved with people who shop on this company's online channels.	**Yes**
5. I build relationships with people who shop on this company's online channels.	**Yes**
6. There is a sense of sociability on this company's online channels.	No
7. I do not feel lonely on this company's online channels.	No
8. I am motivated to participate on this company's online channels because I can receive help from other members.	No
9. It is usually easy to find someone to help me on this company's online channels.	No
10. I am motivated to participate on this company's online channels because members can use their knowledge to help me.	No
11. There is usually someone across this company's online channels who can respond to my comments.	No
12. I help other shoppers while shopping on this company's online channels.	**Yes**

Items for COSE	Outcome of experts' review
13. I feel a sense of human warmth while shopping on this company's online channels.	**Yes**
14. I feel a sense of human contact while shopping on this company's online channels.	**Yes**
15. I feel a sense of human touch while shopping on this company's online channels.	**Yes**
16. I feel that I am not alone while making a purchase decision from this company's online channels.	No
17. There is always a sense of politeness whenever I interact through this company's online channels.	No
18. I assist other visitors while I visit this company's online channels.	No
19. I receive feedback while shopping on this company's online channels.	**Yes**
20. I seek further information while shopping on this company's online channels.	**Yes**
21. People who shop on this company's online channels are like me.	**Yes**
22. I relate to the people who shop on this company's online channels.	**Yes**
23. I feel there is someone to help me while shopping on this company's online channels.	**Yes**
24. This company's online channels are engaging.	No
25. I can feel that there is someone behind this company's online channels.	No
26. The company's online channels' assistance promotes human interaction.	No
27. The company provides personalised responses to my comments across all the online channels.	No
28. I feel a sense of personalness while shopping on this company's online channels.	**Yes**
29. I feel a friendly atmosphere while shopping on this company's online channels.	**Yes**
30. I feel that I am not alone while shopping on this company's online channels.	**Yes**
31. I feel a sense of togetherness with people who shop on this company's online channels.	**Yes**
32. I feel that this company's online shoppers understand me.	**Yes**
33. I feel close to people who shop on this company's online channels.	**Yes**
34. This company's online members feel like family.	No
35. I do not see myself as a loner when I use this company's online channels.	No
36. There is usually someone across this company's online channels that I can approach.	No
37. There is usually someone across this company's online channels to assist me.	No
38. I express myself to other shoppers while shopping on this company's online channels.	**Yes**
39. I assist other shoppers while using this company's online channels.	**Yes**
40. I become engaged with other shoppers while shopping on this	**Yes**

Items for COSE	Outcome of experts' review
company's online channels.	
41. There is usually someone to attend to my query on this company's online channels.	No
42. I receive help from other visitors to this company's online channels.	No
43. There is always a sense of friendliness whenever I interact through this company's online channels.	No
44. There is a sense of human sensitivity on this company's online channels.	No
45. I am able to connect with other online members of this company.	No
46. I find answers to my queries while shopping on this company's online channels.	**Yes**

Note: Yes => retain; No => delete

Table 5.2: Pool of items for OCM

Items for OCM	Outcome of experts' review
1. The interactive tools on this company's online channels facilitate my navigation.	No
2. The company offers the same level of service across its online channels.	No
3. This company's payment method is smooth across its online channels.	No
4. This company's online channels have a live chat system for shoppers.	**Yes**
5. All the online channels of this company always display virtual assistance to shoppers.	**Yes**
6. This company's online channels involve different interactive elements.	No
7. The company offers the same experience across its online channels.	No
8. This company's online channels allow shoppers to respond to comments made by others.	**Yes**
9. This company's online channels allow me to purchase products and services any time I want.	**Yes**
10. All the online channels of this company are accessible 24/7.	**Yes**
11. This company's online channels automatically update my purchase history.	**Yes**
12. All the online channels of this company ensure shoppers' privacy and security.	**Yes**
13. This company's online channels promote its social events to customers.	**Yes**
14. This company's online channels do not have any technical issues.	No
15. The company allows me to add products to my shopping basket on	No

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Items for OCM	Outcome of experts' review
one online channel and complete the purchase on its other online channel.	
16. The company offers its products using multiple online channels.	No
17. All the online channels of this company provide live assistance tools to shoppers.	**Yes**
18. This company's display is well organized across its online channels.	No
19. The company allows me to save my shopping basket content across its online channels.	No
20. This company's presence across different channels makes its offerings more accessible to me.	No
21. This company's online channels provide timely updates of social activities.	No
22. This company provides helpful information on its channels.	No
23. This company's online channels offer rewards to its customers.	**Yes**
24. This company's online channels have interactive features that allow for discussion.	No
25. I receive personalised communications messages when I visit this company's online channels.	No
26. This company's online channels always show their presence on the site to help customers.	No
27. This company's online channels have interactive tools that help shoppers to purchase.	**Yes**
28. This company's online channels involve different tools to engage customers.	No
29. This company's online channels provide product recommendations to shoppers.	**Yes**
30. This company's online channels allow customers to share their information with other shoppers.	No
31. This company's online channels have communicative features that allow for discussion.	No

Note: Yes => retain; No => delete

5.1.3 Item purification – Data collection (first round)

First-round data should be collected in order to proceed to the next step of the scale development process (Churchill, 1979). In the current study, a self-administered survey was conducted among a convenience sample of undergraduate students of a Western Australian university. A total of 158 responses were collected from the university students. Of the 158 responses, 124 responses could be used while 34 were deleted due to inconsistency and incomplete answers. Surveys are a way of collecting

data more economically (without the use of interviews or the cost of postage) and are considered to be a deductive approach (Saunders et al., 2009; Kiesler & Sproull, 1986). Surveys enable researchers to extract information by using a set of structured questions: the answers are then summarised and analysed to make generalisations for a larger population. Data can be collected via surveys in different ways, such as interviews (face-to-face or by telephone), the World Wide Web or through self-administration. Using a self-administered survey as a data collection method has several advantages; for instance, the researcher can standardise the data and the surveys can be easily administered, tabulated and analysed (Burns & Bush, 2000). This method of data collection also ensures the confidentiality of respondents and responses can be obtained in a short period of time (Sekaran & Bougie, 2016; Burns & Bush, 2000). However, the self-administered 'pen and paper' survey also has some limitations; for example, the amount of missing data can increase due to the lack of convenience as respondents might be in a rush and might not pay attention long enough to complete the full survey. Respondents might also be reluctant to spend time participating in the survey (Lukas, Hair, Bush, & Ortinau, 2004; Sekaran & Bougie, 2016). As the advantages of using a self-administered survey outweighed its limitations, the self-administered 'pen and paper' survey was considered appropriate and was therefore utilised for data collection procedures (in both the first and second rounds).

The survey instrument was approved by the Curtin University Human Research Ethics Committee (Ethics Approval No. HRE2016-0248). An information sheet was provided with the questionnaire to inform the respondents that the research had ethics approval. The information sheet advised the respondents that their participation in this study was voluntary and that they could withdraw from the study at any time. The confidentiality of the respondents and their responses was protected as no question item in the survey could reveal their identity. To increase the response rate, the self-administered survey was presented in an attractive coloured booklet format with the Curtin University logo on the first page (information sheet) to highlight the formality and credibility of the study to potential respondents.

The key criterion for selecting student respondents was whether they shopped online frequently (purchased four times or more every three months (Li et al., 1999)). In the

sample, 64.5% were female and 35.5% were male. The sample was aligned with the demographic characteristics of the undergraduate student body (86.3% were under 25 years old) and was ethnically diverse (44.5% Australian, 43.7% Asian, 4.2% European, 3.4% African and 4.2% did not identify themselves in any of the previous categories). The next step of the scale development process was to purify the scale items retained from Step 2 (item generation) using statistical techniques such as exploratory factor analysis (EFA) and confirmatory factory analysis (CFA).

Scale purification, as suggested by Churchill (1979), is initially undertaken with exploratory factor analysis (EFA) with this essential step used to establish whether the scale items have accurately tapped into the proposed construct's components. This process is employed to reduce the number of items used to explain most of the variance for greater predictive purposes (Hair et al., 2010). In order to do so, the observed variables are allowed to inter-correlate freely in exploratory factor analysis (EFA) (Anderson & Gerbing, 1988). The most common method for factor rotation is Varimax as it enhances "the sum of variances of required loadings of the factor matrix" (Hair, Black, & Babin, 2010, p. 115). Several indices can be used to understand the EFA output. The Kaiser–Meyer–Olkin measure of sampling adequacy (KMO MSA) and Bartlett's test of sphericity can help to confirm a completed factor analysis and the reliability that might be prevalent in the relationships between the correlated items and their underlying dimensions. Hair et al. (2010) suggested that the value for KMO MSA should be higher than 0.50 and the result for Bartlett's test of sphericity should be significant ($p = 0.05$). The previous authors also indicated that the variance extracted by the factors should be greater than 0.60. The amount of variance explained by each factor is referred to as the eigenvalue and should have a value exceeding '1' to be considered as a distinct dimension. The cross loading of the items (when one item can be applied to numerous variables) should be taken into consideration (Hair et al., 2010). More specifically, if an item loading is greater than half the loading to the factor it principally falls into, then it can be considered as a case of cross loading and the concerned item should be eliminated before conducting further analysis.

In Step 3, the remaining 23 items for COSE and 12 items for OCM went through a purification process using an initial EFA along with principal components analysis

(PCA) for extraction with Varimax rotation to further refine both scales. Thus, the dimensionality of both constructs was examined. After conducting analysis twice with EFA, two dimensions were loaded for customer online social experience (COSE). The first dimension retained seven items ($\alpha = 0.91$) and the second dimension also retained seven items ($\alpha = 0.95$). Several items in the rotated factor matrix cross loaded on more than one factor and did not show average corrected item-to-total correlations above 0.30 (Field, 2005; Norušis, 1994). These items were, in turn, removed. For COSE, nine items were deleted due to cross loading across multiple factors. The deleted items are listed as follows:

1. I feel there is someone to help me while shopping on this company's online channels.
2. I find answers to my queries while shopping on this company's online channels.
3. People who shop on this company's online channels are like me.
4. I become engaged with other shoppers while shopping on this company's online channels.
5. I relate to the people who shop on this company's online channels.
6. I help other shoppers while shopping on this company's online channels.
7. I express myself to other shoppers while shopping on this company's online channels.
8. I assist other shoppers while using this company's online channels.
9. I seek further information while shopping in this company's online channels.

In regard to OCM, two dimensions were loaded for this construct, the first dimension ($\alpha = 0.76$) with four items and the second dimension ($\alpha = 0.85$) with five items. Similar to what was found with COSE, the following three OCM items were removed as they cross loaded onto more than one factor and did not show average corrected item-to-total correlations above 0.30 (Field, 2005; Norušis, 1994).

The deleted items are listed below:
1. This company's online channels offer rewards to its customers.
2. This company's online channels promote its social events to customers.

3. This company's online channels have interactive tools that help shoppers to purchase'.

The remaining items for both dimensions had a Cronbach's alpha (α) value higher than 0.70 which is considered to be an indication of scale reliability (Nunnally & Bernstein, 1994). An adequate standardised factor loading is considered to be a minimum of 0.50; this condition was met as loadings for all items exceeded the suggested threshold (Hair et al., 2010). The final EFA for both constructs can be seen in Tables 5.3 and 5.4 below. For COSE, the two dimensions explained 69.60% of the construct's total variance while, for OCM, the two dimensions explained 63.70% of the total variance. The two dimensions revealed for COSE and OCM were also acceptable in terms of their eigenvalues and the KMO MSA and Bartlett test scores (Hair et al., 2010).

Table 5.3: EFA for COSE (Data collection first round)

Dimensions and items	Factor loading	Eigenvalues (% variance explained)	Cronbach's alpha
Dimension 1		2.52 (32.2%)	0.91
1. I feel a sense of human contact while shopping on this company's online channels.	0.84		
2. I feel a sense of personalness while shopping on this company's online channels.	0.80		
3. I feel a sense of human warmth while shopping on this company's online channels.	0.88		
4. I feel a sense of human touch while shopping on this company's online channels.	0.83		
5. I feel a friendly atmosphere while shopping on this company's online channels.	0.83		
6. I feel that I am not alone while shopping on this company's online channels.	0.67		
7. I receive feedback while shopping on this company's online channels.	0.55		
Dimension 2		7.90 (37.4%)	0.95
1. I feel a sense of togetherness with people who shop on this company's online channels.	0.85		
2. I am actively involved with people who shop on this company's online channels.	0.87		
3. I am attached to this company's online shoppers.	0.89		
4. I feel connected to people who shop on this company's online channels.	0.86		
5. I build relationships with people who shop on this company's online channels.	0.86		
6. I feel that this company's online shoppers understand me.	0.81		
7. I feel close to people who shop on this company's online channels.	0.84		

Note: KMO = 0.935 ; Bartlett test: Chi-squared = 1521.210; df = 105; Significance (Sig) = 0.000

Table 5.4: EFA for OCM (Data collection first round)

Dimensions and items	Factor loading	Eigenvalues (% variance explained)	Cronbach's alpha
Dimension 1		1.95 (27.7)	0.76
1. This company's online channels allow me to purchase products and services any time I want.	0.81		
2. All the online channels of this company are accessible 24/7.	0.76		
3. This company's online channels automatically update my purchase history.	0.71		
4. All the online channels of this company ensure shoppers' privacy and security.	0.70		
Dimension 2		3.79 (36.0)	0.85
1. This company's online channels allow shoppers to respond to comments made by others.	0.50		
2. All the online channels of this company provide live assistance tools to shoppers.	0.88		
3. All the online channels of this company always display virtual assistance to shoppers.	0.88		
4. This company's online channels provide product recommendations to shoppers.	0.68		
5. This company's online channels have a live chat system for shoppers.	0.92		

Note: KMO = 0.756 ; Bartlett test: Approx. Chi-squared = 524.411; df = 36; Sig = 0.000

The first steps of the scale development process confirmed that COSE and OCM were multidimensional constructs and that the dimensions were clearly distinctive from each other. The findings from the EFA for both constructs confirmed that COSE and OCM each had two dimensions. The EFA findings for COSE and OCM aligned with Study 1's assumptions, with the two dimensions of each construct relating to the components indicated by Study 1's findings as follows. The two dimensions and items of COSE reflected the qualitative findings and the Chapter 4 discussion where 'perceived social presence' and 'social affiliation' are suggested as COSE's key components. Under perceived social presence, the first dimension of COSE from the analysis, items such as having 'a sense of human contact', 'a sense of

human touch' and 'receive feedback' were grouped. Social affiliation, the second dimension of COSE gathered items such as 'I feel connected', 'I build relationships' and 'I feel close to people' which were in alignment with this dimension.

As for OCM, the first dimension, 'channel functionality', combined items such as 'accessible 24/7' and 'automatically update my purchase history'. The second dimension, 'channel integration', gathered items related to the inclusion of social cues such as 'always display virtual assistance to shoppers' and 'allow shoppers to respond to comments made by others'. Hence, based on the key issues addressed by the scale items for each dimension, 'perceived social presence' and 'social affiliation' were suggested as the two dimensions for COSE and, for OCM, 'channel functionality' and 'channel integration' were suggested as the two dimensions. The next steps of the scale development were to further refine the dimensions and their purified items for each construct with a second round of data collection.

5.1.4 Scale refinement

A second round of data collection using a self-administered survey was conducted at the same university to confirm the psychometric properties of the COSE and OCM scale items generated from the initial purification process in Step 2. A total of 218 responses were collected from the university students. Of the 218 responses, 204 responses could be used while 14 were deleted due to inconsistency and incomplete answers. To ensure the external validity of both measures, the study ascertained that participants in this stage of the data collection had not taken part in the earlier stage (first round). In the sample of respondents, 60.3% were female, 39.2% were male and 0.5% were categorised as 'other'. The demographic characteristics of the respondents were consistent with those of university students (82.4% were under 25 years old) and were ethnically diverse (39.3% Australian, 38.8% Asian, 7.7% European, 4.6% Middle Eastern, 1.5% American, 1.5% African and 6.6% did not identify themselves in any one of these categories). Respondents were briefed on the confidentiality and anonymity of their responses and on their right to not answer questions. Similar to Step 2, respondents were asked to recall a recent online shopping experience that was less than three months prior (Smith, Bolton, & Wagner, 1999). The administered survey comprised the remaining fourteen COSE items and nine OCM items.

As a new sample of respondents participated, in Step 4 the items were first purified using the EFA and average correlated item-to-total correlation. The fourteen items for COSE and the nine items for OCM underwent EFA using PCA for extraction with Varimax rotation. The dimensionality of both constructs was examined. After conducting EFA twice, COSE retained six items for 'perceived social presence' (α = 0.84) and five items for 'social affiliation' (α = 0.93). Items that loaded on more than one factor and did not show average corrected item-to-total correlations above 0.30 were deleted from further analysis (Field, 2005; Norušis, 1994). For COSE, the following items were removed 'I feel close to people who shop on this company's online channels'; 'I feel a sense of togetherness with people who shop on this company's online channels'; and 'I feel a sense of human warmth while shopping on this company's online channels'.

The final EFA maintained the two dimensions of OCM, namely, 'channel integration' with four items (α = 0.84) and 'channel functionality' with four items (α = 0.74). The following item was deleted from OCM as it loaded on more than one factor and did not show average corrected item-to-total correlations above 0.30 (Field, 2005; Norušis, 1994): 'This company's online channels provide product recommendations to shoppers'.

As the Cronbach's alpha (α) values were all higher than 0.70, this suggests that the constructs were reliable (Hair et al., 2010; Nunnally, 1978). The final EFAs for both constructs are outlined in Tables 5.5 and 5.6 below. An adequate standardised factor loading was met as all item loadings exceeded the suggested threshold (Hair et al., 2010). For COSE, the two dimensions explained 66.6% of the construct's total variance while, for OCM, the two dimensions explained 62.6% of the total variance. The Kaiser–Meyer–Olkin (KMO) measures for sampling adequacy and the results of Bartlett's test for sphericity for COSE and OCM are reported in Tables 5.5 and 5.6.

Table 5.5: EFA for COSE (Data collection second round)

Dimensions and items	Factor loading	Eigenvalues (% variance explained)	Cronbach's alpha
Dimension 1: Perceived social presence		1.45 (30.5)	0.84
1. I feel a sense of human contact while shopping on this company's online channels.	0.80		
2. I feel a sense of personalness while shopping on this company's online channels.	0.70		
3. I feel a sense of human touch while shopping on this company's online channels.	0.72		
4. I feel a friendly atmosphere while shopping on this company's online channels.	0.77		
5. I feel that I am not alone while shopping on this company's online channels.	0.56		
6. I receive feedback while shopping on this company's online channels.	0.64		
Dimension 2: Social affiliation		5.88 (36.1)	0.93
1. I am actively involved with people who shop on this company's online channels.	0.85		
2. I am attached to this company's online shoppers.	0.88		
3. I feel connected to people who shop on this company's online channels.	0.85		
4. I build relationships with people who shop on this company's online channels.	0.88		
5. I feel that this company's online shoppers understand me.	0.77		

Note: KMO = 0.912 ; Bartlett test: Approx. Chi-squared = 1379.711; df = 55; Sig = 0.000

Table 5.6: EFA for OCM (Data collection second round)

Dimensions and items	Factor loading	Eigenvalues (% variance explained)	Cronbach's alpha
Dimension 1: Channel functionality		2.23 (28.4)	0.74
1. This company's online channels allow me to purchase products and services any time I want.	0.81		
2. All the online channels of this company are accessible 24/7.	0.72		
3. This company's online channels automatically update my purchase history.	0.75		
4. All the online channels of this company ensure shoppers' privacy and security.	0.71		
Dimension 2: Channel integration		2.78 (34.2)	0.84
1. This company's online channels allow shoppers to respond to comments made by others.	0.67		
2. All the online channels of this company always display virtual assistance to shoppers.	0.85		
3. All the online channels of this company provide live assistance tools to shoppers.	0.86		
4. This company's online channels have a live chat system for shoppers.	0.88		

Note: KMO = 0.739; Bartlett test: Approx. Chi-squared = 570.930; df = 28; Sig = 0.000

Next, to proceed with the scale refinement (Step 5) for COSE and OCM, confirmatory factor analysis (CFA) was used, with this form of analysis systematically guiding the refinement and modification of the constructs and ensuring that the scale items had internal and external consistency (Anderson, Gerbing & Hunter, 1987; Kumar & Dillon, 1987; Steenkamp & van Trijp, 1991). Hair et al. (2010) suggested that researchers could use a one-factor congeneric model to check the internal and external consistency of each dimension of a construct. In other words, a one-factor congeneric model is considered a measurement model with all cross loadings within-construct error covariances usually fixed at '0' (zero) (Hair et al., 2010).

As with EFA, confirmatory factor analysis (CFA) has various indices that need to be considered. Researchers have argued that the goodness-of-fit indices can be sensitive to sample size and the violation of the assumptions of normality. In addition,

researchers use fit indices in conjuction with each other to assess the overall fit as none of these indices can be used individually to decide the best-fit model (Anderson & Gerbing, 1988). Hu and Bentler's (1999) suggested a '2-index presentation strategy' where an *absolute* index of model fit (eg. RMSEA, SRMR), and a *relative* index of model fit (eg. TLI, CFI) should be reported in addition to the chi-square value to have a comprehensive understanding of a model fit.

Firstly, chi-square is a common measure suggested for assessing the overall model fit. The normed chi-square (or chi-square/degrees of freedom [*df*]), the acceptable range for the $\chi2/df$ ratio is below 3.0 (Carmines & McIver, 1981) although a more relaxed limit (< 5.0) is suggested by Wheaton et al. (1977). Another index that needs to be taken into account is the root mean square error of approximation (RMSEA) which measures the difference between an observed and an estimated covariance matrix based on the degrees of freedom (*df*) derived from the particular model (Medsker, Williams & Holahan, 1994). The suggested RMSEA value should be less than 0.05 for a good fit (Hair et al., 2010; Awang, 2012) and less than 0.08 for an acceptable fit (Awang, 2012; Baumgartner & Homburg, 1996). The goodness-of-fit index (GFI) that relates to the squared residuals from a prediction compared to the actual data should also be taken into account. As suggested by Hair et al. (2010), a GFI value greater than 0.90 can be interpreted as a satisfactory threshold for the fit. However, it is important to note that the GFI value can decline as the model complexity increases (i.e. more observed variables or more constructs), and it may be inappropriate for more complex models (Anderson & Gerbing, 1984). Similarly, the recommended cut-off point for NFI is also greater than 0.90 (Hair et al., 1995). However, researchers have argued that a GFI and NFI value greater than 0.80 is still an acceptable threshold (Forza & Filippini, 1998; Baumgartner & Homburg, 1995) The comparative fit index (CFI) uses a non-centrality parameter-based index to overcome the issue of sample size effects: its cut-off point of greater than 0.90 means a satisfactory fit (Hair et al., 2010). Finally, the Tucker–Lewis index (TLI), also referred to as the non-normed fit index (NNFI) compares a model's fit to a null model. The TLI value may range from 0 (poor fit) to 1 (perfect fit) with a recommended cut-off point greater than 0.90 (Forza & Filippini, 1998; Awang, 2012). In addition, the root mean square residual (RMR) values close to '0' (zero) can indicate a better fit. The standardised root mean square residual (SRMR) values

range from '0' (zero) to '1', Byrne (2006; 2013) recommended that the value of SRMR for a well fitted model should be less than 0.05 whereas a more lenient value of 0.10 is suggested by Kline (2005). Hence, the above indices can assess whether a proposed model has a superior fit based on the sample data from which it is derived, while also checking the model's parsimony.

5.1.4.1 CFA and one-factor congeneric model

As part of the scale development process, confirmatory factor analysis (CFA) with Amos 24 software was used to further test and refine (Step 5) the psychometric properties of the two dimensions of COSE, namely, 'perceived social presence' and 'social affiliation' and the two dimensions of OCM, that is, 'channel functionality' and 'channel integration'. Each construct was examined with one-factor congeneric models and the goodness-of-fit indices have been reported. In the one-factor model, the indicators act collectively to define the latent construct (Hair et al., 2010). The relationships between indicators and the latent construct are evaluated based on the factor loading estimates similar to what was done in EFA (Hair et al., 2010). The standardised regression weight (lambda) for each of the indicators exceeded the minimum requirement (a significant *p*-value and minimum value of 0.50), demonstrating that all the COSE and OCM dimensions were relatively strong with respect to their associated construct (Gallagher, Ting, & Palmer 2008; Hair et al., 2010). Usable respondents for this second round of data collection were from university students (*n*=204).

Perceived social presence

As the six-item model for perceived social presence had an unacceptable fit, the modification indices output was reviewed for improvement (Garver & Mentzer, 1999). The modification indices indicated that some of the items' error terms could be correlated to improve the model fit. Brown (2014) suggested that to improve the fit of the measurement model the error terms of meaningfully related indicators of the same construct can be allowed to freely covary due to their contribution to the overall conceptual domain of the construct. Hence, based on these suggestions, the following scale items' error terms were correlated: 'I feel a friendly atmosphere while shopping on this company's online channels' and 'I receive feedback while shopping on this company's online channels'. Following these changes, the

perceived social presence model's goodness-of-fit was acceptable ($\chi^2 = 16.35$, $df = 8$, RMSEA= 0.072, SRMR= 0.034; GFI = 0.974, CFI = 0.982, NFI = 0.965, TLI = 0.966), as can be seen in Figure 5.2.

Model fit: $\chi^2 = 16.35$, $df = 8$, RMSEA= 0.072, SRMR= 0.034,
GFI = 0.974, CFI = 0.982, NFI = 0.965, TLI = 0.966
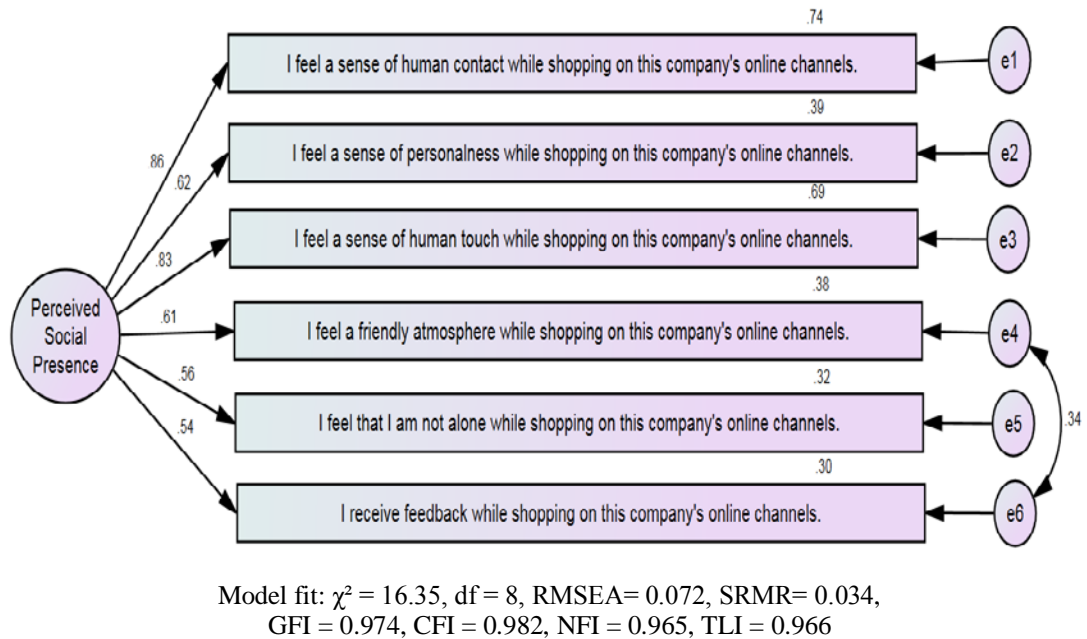
Figure 5.2: One-factor congeneric model: Perceived social presence

Social affiliation

The five-item model for social affiliation had an acceptable factor model fit. The goodness-of-fit indices for the social affiliation model were deemed acceptable with $\chi^2 = 7.54$, $df = 5$, RMSEA= 0.050, SRMR= 0.013; GFI = 0.985, CFI = 0.997, NFI = 0.991, TLI = 0.994, as can be seen in Figure 5.3.

Model fit: $\chi^2 = 7.54$, $df = 5$, RMSEA= 0.050, SRMR= 0.013,
GFI = 0.985, CFI = 0.997, NFI = 0.991, TLI = 0.994
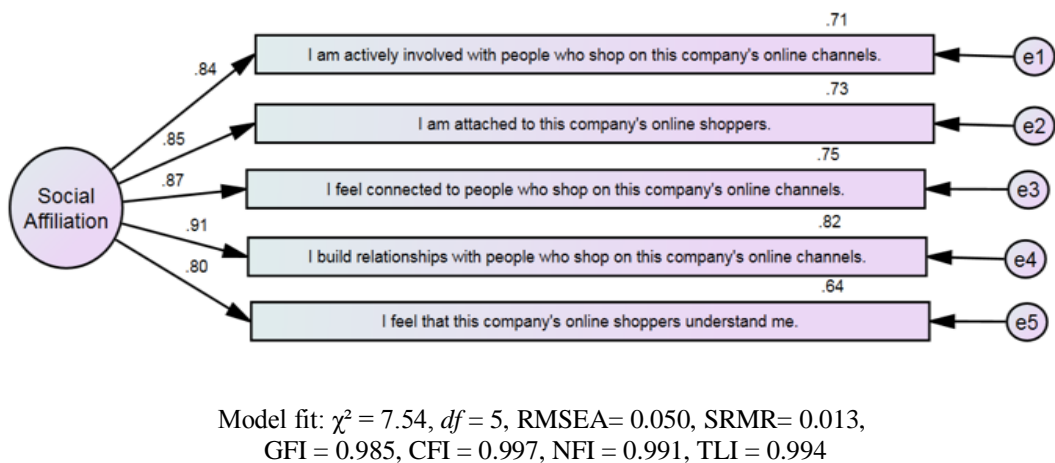
Figure 5.3: One-factor congeneric model: Social affiliation

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Channel functionality

As the four-item model for channel functionality did not have an acceptable fit, the modification indices were examined (Garver & Mentzner, 1999). The error terms for two scale items were correlated (Brown, 2014) that is: 'All the online channels of this company are accessible 24/7' and 'This company's online channels allow me to purchase products and services any time I want'. Consequently, the channel functionality model goodness-of-fit was acceptable (χ^2 = 1.23, *df* = 1, RMSEA = 0.034, SRMR= 0.012, GFI = 0.997, CFI = 0.999, NFI = 0.994, TLI = 0.993), as can be seen in Figure 5.4. However, it is important to note that, due to the suggested covariance between error terms 1 and 2, one indicator 'All the online channels of this company are accessible 24/7' fell below the minimum standard of 0.50 (Hair et al., 2010). All the standardised regression weights were however significant at the *p* < 0.001 level which was considered a weak requirement to meet convergent validity (Steenkamp & Van Trijp, 1991). The scale item above has been retained to ensure goodness-of-fit indices but was further tested for convergent validity with another sample in Step 8.
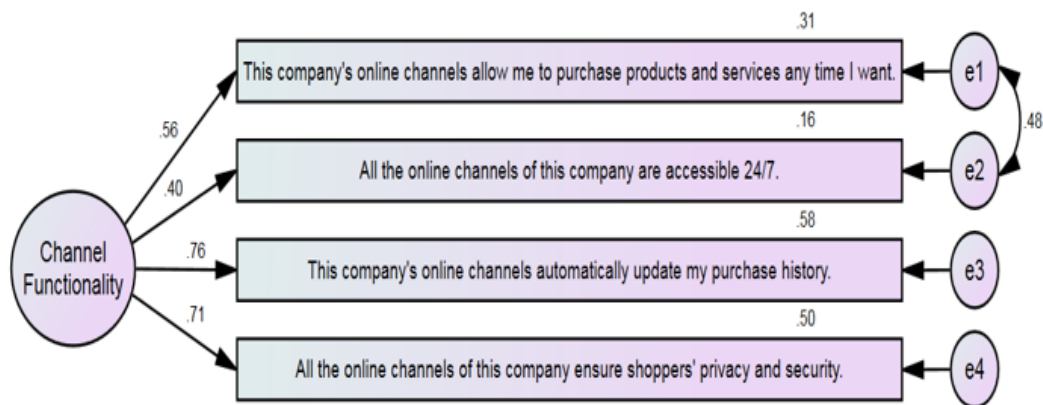
Model fit: χ^2 = 1.23, *df* = 1, RMSEA= 0.034, SRMR= 0.012, GFI = 0.997, CFI = 0.999, NFI = 0.994, TLI = 0.993

Figure 5.4: One-factor congeneric model: Channel functionality

Channel integration

Channel integration's four-item model was tested for goodness-of-fit. The model (Figure 5.5) had an acceptable fit with χ^2 = 0.979, *df* = 2, RMSEA = 0.000,

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SRMR = 0.009, GFI = 0.998, CFI = 1.000, NFI = 0.997, TLI = 1.009; hence, no further amendments were required.
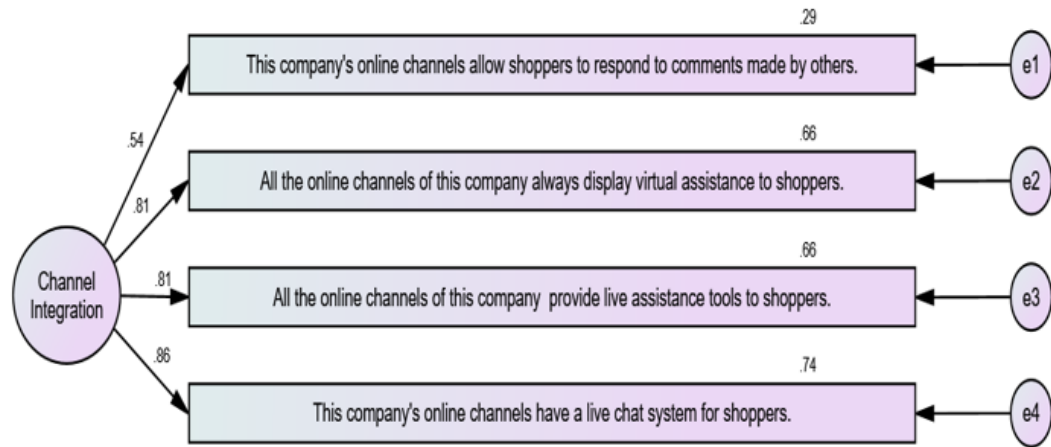
Model fit: χ^2 = 0.979, df = 2, RMSEA= .000, SRMR= 0.009,
GFI = 0.998, CFI = 1.000, NFI = 0.997, TLI = 1.009

Figure 5.5: One-factor congeneric model: Channel integration

5.1.5 Scale reliability and validity (Steps 6 and 7)

5.1.5.1 Scale reliability

After completing the EFA and CFA, a reliability test (Step 6) needed to be undertaken to assess the consistency of the measures (Hair et al., 2010). The measure widely used to test internal consistency is Cronbach's alpha: Hair et al. (2006) indicated that an acceptable alpha (α) value should be 0.70 or greater. As indicated by Bollen (1989), relying on only the Cronbach's alpha score to assess a measure's internal consistency has its limitations. For example, if a scale has a substantial number of items, consistency can be driven by researchers purposely selecting a few items to increase reliability; in addition, Cronbach's alpha assumes that all items have identical reliability measures. For this reason, researchers are now focusing on composite construct reliability derived from the structural equation modelling (SEM) procedures. The composite reliability (CR) is calculated using the formula suggested by Fornell and Larcker (1981). For the current research, both Cronbach's alpha and composite reliability were used to establish the reliability of COSE and OCM, the constructs of interests. For the current research, both Cronbach's alpha (see Table 5.5

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and 5.6) and composite reliability (CR) (see Table 5.7) were used to establish the reliability of COSE and OCM, the constructs of interests.

5.1.5.2 Scale validity

Validity, both face and construct, have already been addressed in the previous steps of the scale development procedures. In the current step (Step 7), convergent, discriminant, predictive and nomological validity are discussed. Firstly, convergent validity is evaluated by "determining whether each indicator's estimated pattern coefficient on its posited underlying construct factor is significant (greater than twice its standard error)" (Anderson & Gerbing, 1988, p. 416). For this step, data collected in the second round has been used with various techniques applied to validate the scales, such as average variance extracted (AVE) and composite reliability (CR) (Fornell & Larcker, 1981). The AVE measures the level of variance captured by a construct versus the level due to measurement error. The AVE is calculated based on the formula suggested by Fornell and Larcker (1981).

The correlation coefficients should also outline significant correlations of interrelated scales, if any (Churchill, 1999). Finally, discriminant validity is defined as "the extent to which a construct is truly distinct from other constructs" (Hair et al., 2010, p. 710). This can be confirmed by applying a few tests: firstly, the correlations between the constructs of interest can be compared to a hypothetical model where all the correlations have been set to '1' (one) (Dunn, Seaker, & Waller, 1994). Factors that show a high correlation can be considered as measuring the same construct.In addition, as indicated by Kline (2005), the inter-correlation between constructs should be less than 0.85. Finally, the AVE for each construct should be greater than the squared structural path coefficient between the two constructs (Fornell & Larcker, 1981).

As can be seen in Table 5.7, all the composite reliability (CR) estimates ranged from 0.79 to 0.96 which were higher than the acceptable criterion of 0.70, as suggested by Nunnally and Bernstein (1994). The amount of variance for the two constructs, COSE and OCM, was higher or equal to the recommended 0.50 threshold suggested by Fornell and Larcker (1981) as the variance extracted estimates ranged from 0.50 to 0.91 (see Table 5.7). Preliminary support for convergent validity was confirmed as

all item loadings, and AVE and CR values exceeded their respective thresholds, following the recommendations of Fornell and Larcker (1981). The discriminant validity test, based on average variance extracted (AVE) for each construct, was also applied, as shown in Table 5.7. Discriminant validity was confirmed for all latent constructs as the square root of each construct's AVE value was greater than the bivariate correlation with the other constructs in the model (Chin, 1998; Fornell & Larcker, 1981).

Table 5.7: Composite reliability and discriminant validity of constructs (second round data)

Constructs	Items	CR	AVE	√AVE	PSP	SAFF	CFUN	CINT
Perceived social presence (PSP)	6	0.89	0.60	0.76	**1**			
Social affiliation (SAFF)	5	0.96	0.83	0.91	**0.59**	**1**		
Channel functionality (CFUN)	4	0.79	0.50	0.70	**0.53**	**-0.56**	**1**	
Channel integration (CINT)	4	0.90	0.70	0.84	**0.31**	**0.25**	**0.57**	**1**

Note: M = mean, SD = standard deviation, CR = composite reliability, √AVE = square root average variance, constructs' bivariate correlations are in bold

The analysis and reported findings suggest that the COSE and OCM dimensions align with the standards for construct convergent validity—factor loadings and composite reliability (CR)—but also discriminant validity; thus, both scales have sound psychometric properties. This enabled the study to proceed with the final step of the scale development process, the final validation and generalisation of customer online social experience (COSE) and online omni-channel management (OCM).

5.1.6 Scale generalisation

In this final step (Step 8), both COSE and OCM scales were examined within a nomological network of OCE and customer behaviour. In doing so, the research

hypotheses developed in Chapter 4 were tested to further validate both scales and confirm predictive validity. Extant research suggested to test the psychometric properties of all scales and their measurement across a different sample using the same methods to assess scale reliability and validity (Churchill, 1979; DeVillis, 1991). Hence, the third round of data collection, corresponding sample and results are presented next.

5.1.6.1 Data collection (third round)

For the third round of data collection, an online customer panel was used to share the survey with respondents. The numerous advantages of using customer panels for online research include: the response rates tend to be higher as respondents have already given consent to participate in online surveys and the data obtained can be confined to some specific characteristic based on the study's scope (Burns & Bush, 2006; Duffy, Smith, Terhanian, & Bremer, 2005). For instance, in the current study, the online panel comprised individuals who met the following characteristics: living only in Australia; frequent online shoppers (purchased four times or more in the past three months) (Li et al., 1999) and at least 18 years old (with a mix of age groups to ensure the generalisability of the findings). Each respondent was asked to recall his/her recent online purchase (within the previous three months). As OCE is cumulative over time (Verhoef et al., 2009), this memory recall method of data collection is suitable for online experience research like the current study and is also in line with the existing research (e.g. Smith et al., 1999).

Responses were sought on the items, organized into six sections and pertinent to the COSE and OCM scales as well as items that assessed respondents' self-brand connection (SBC), repurchase intention and referral behaviour based on their online shopping experience. The survey structure for all three rounds of data collection was similar and is described as follows. In the first section, the respondents were asked to recall a recent (within three months) purchase experience with an online retailer (Smith et al., 1999) and evaluate their current online behaviour (i.e how often they shopped online, how much they spent). The second section, based on the online experience recalled in the first section, focused on their intention to repurchase and share their experiences with others. The third and fourth sections comprised the newly developed COSE and OCM scale items. The fifth section related to customers'

self-brand connection (SBC) towards that company. Finally, the sixth section sought demographic data from respondents.

A total of 456 responses were collected from the online panel. Of the 456 responses, 308 were able to be used while 148 were deleted due to inconsistency and incomplete answers. A summary of the descriptive statistics of respondents is shown in Table 5.8. As is evident from the table, 42.9% of respondents were female and 57.1% were male. In regard to their age, 47% were aged less than 45 years old and respondents were mostly Australian (63.3%). In addition, 50.3% of respondents had a weekly income between A$500 and A$1500.

Table 5.8: Descriptive statistics

Respondents' Demographics	Frequency (n=308)	Percentage (100%)
Gender:		
Male	179	57.1%
Female	132	42.9%
Age:		
18–24 years	24	7.8%
25–31 years	40	13.0%
32–38 years	45	14.6%
39–45 years	36	11.7%
46–52 years	35	11.4%
53–59 years	37	12.0%
Above 60 years	91	29.5%
Ethnic Background:		
Asian	45	14.6%
Australian	195	63.3%
European	53	17.2%
American	1	0.3%
African	1	0.3%
Middle Eastern	4	1.3%
Other	9	2.9%
Income:		
Less than A$500	77	25.0%
A$500–A$1,000	91	29.5%
A$1,001–A$1,500	64	20.8%
A$1,501–A$2,000	39	12.7%
A$2,001–A$2,500	19	6.2%
A$2,501–A$3,000	8	2.6%
More than A$3,000	10	3.2%

5.1.6.2 Test for normality

The normality of this study was considered using the item means, standard deviations and the values of skewness and kurtosis (Tabachnick & Fidell, 2001). As indicated

by MacCallum, Roznowski and Necowitz (1992), a non-normal data distribution can lead to some bias in the results in relation to the goodness-of-fit indices and to imprecise standard errors (SEs). The level of skewness or kurtosis that is expected to transform the data to non-normal distribution is when the values for the indices are greater than 3 for extremely skewed and greater than 8 for extreme kurtosis (Kline, 2005). The values of skewness and kurtosis are within the suggested range, which provides support that the scale items used in this study are normally distributed for all three samples (refer to Appendix IV).

5.1.6.3 Non-response bias

Non-response bias is known as the differences in the answers of non-respondents and respondents (Lambert & Harrington, 1990; Armstrong & Overton, 1977). Non-response bias can jeopardise the ability of researchers to generalise their research results; hence, it is considered as a problem for survey-based research (Lambert & Harrington, 1990). To minimize non-response bias, various techniques were used, such as an attractive questionnaire, personalised questionnaire design and incentives (lucky draw) (Lambert & Harrington, 1990). The respondents were given incentives to participate in a lucky draw (see Appendix III). To estimate the level of non-response bias in this final stage (deemed as the final study), the first 25% (n=77) of the respondents were compared to the last 25% (n=77) respondents from the third round of data collection (n=308). The *t*-statistics clearly showed that no statistically significant difference was present between responses from the first 25% and the last 25% respondents ($p > 0.05$). Thus, it can be assumed that non-response bias is not an issue for the final data colleted of this research (refer to Appendix V).

5.1.6.4 Common method bias

The current research measured both the independent and the dependent variables and collected data from the same source in a single survey. Hence, the research might suffer from common method bias (Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). To minimize the effects of common method bias, a few methods were used. Firstly, a cover letter was carefully crafted for the questionnaire assuring respondents of their anonymity and requesting their honest responses. This helped to reduce respondents' apprehension about evaluation and thus controlled for possible sources of common method bias (Podsakoff et al., 2003). To confirm the non-existence of common

method bias, Harman's single factor test was also undertaken: this involved all items (measuring latent variables) being loaded into one common factor. The overall variance generated from the one-factor solution was less than 50%, thus indicating that common method variance was not likely to affect the results (Podsakoff, MacKenzie, & Podsakoff, 2012; Podsakoff et al., 2003). For this study, the total variance explained 41.29% of the single factor. Hence, common method bias is not an issue for the given data set (refer to Appendix VI).

5.1.6.5 Measures

Based on the literature review and the findings informed by the qualitative research, this study used customer self-brand connection (SBC) as a moderating variable and repurchase intention and referral behaviour as COSE consequences. All items used in this study, including the measures of the independent, moderating and dependent variables were assessed using seven-point Likert-type scales anchored by the statements ranging from 1 = "strongly disagree" to 7 = "strongly agree". These items were selected and adapted from existing sources due to their reliability (greater than 0.70) and their contextual relevance (Nunnally & Bernstein, 1994). The items used to measure self-brand connection (SBC) were borrowed from Escalas and Bettman (2003). The self-brand connection (SBC) measure in this research has been contextualised to measure customers' connection with the company. Repurchase intention items were adopted from Rose et al. (2012) and referral behaviour items were contextualised from Cheung and Lee (2012) and Srivastava and Kaul (2016) (see Table 5.9). The Cronbach alpha values calculated for items of these constructs are listed in the table below (Table 5.9). The final list of items used in the questionnaire to measure the key constructs, COSE and OCM, as well as the scales used below can be seen in Appendix III (Final survey). Tables 5.9 and 5.10 provide a summary of the descriptive statistics and item-to-total correlations of the constructs used in the research. The item-to-total correlations of the items of each construct score well above 0.30 (Field, 2005; Norušis, 1994) meaning that all the items used reflect an adequate internal consistency for each construct.

Table 5.9: Scale measures: existing scales adapted to measure key constructs

Construct	Preliminary items	Cronbach's alpha	Mean	SD
Self-brand connection (4 items)	• This company reflects who I am. • I can identify myself with this company. • I feel personally connected with this company. • This company suits me well.	0.90	4.44 4.58 4.36 4.91	1.21 1.18 1.29 1.14
Repurchase intention (4 items)	• Even in the case of price increase, I will buy products from this company online in future. • I will dedicate all my future purchases in the product category to this company. • I consider this company as my only choice for shopping in the product category. • I choose this company as my first choice while buying in this area.	0.82	4.19 4.10 4.12 4.84	1.40 1.45 1.62 1.29
Referral behaviour (4 items)	• I say positive things about the company. • I share my shopping experience with relatives and friends. • I recommend shopping with this company to others. • I recommend and/or engage in positive word of mouth about this company on social media.	0.82	5.02 4.63 4.84 3.47	1.13 1.35 1.25 1.31

Table 5.10: Scale summary for COSE

Dimensions and items	Mean	SD	Item-to-total Correlation
Dimension 1: Perceived social presence			
1. I feel a sense of human contact while shopping on this company's online channels.	4.12	1.32	0.68
2. I feel a sense of personalness while shopping on this company's online channels.	4.29	1.19	0.70
3. I feel a sense of human touch while shopping on this company's online channels.	4.11	1.30	0.78
4. I feel a friendly atmosphere while shopping on this company's online channels.	4.44	1.20	0.71
5. I feel that I am not alone while shopping on this company's online channels.	4.41	1.18	0.65
6. I receive feedback while shopping on this company's online channels.	4.27	1.27	0.60
Dimension 2: Social affiliation			
1. I am actively involved with people who shop on this company's online channels.	3.58	1.43	0.73

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Dimensions and items	Mean	SD	Item-to-total Correlation
2. I am attached to this company's online shoppers.	3.82	1.33	0.78
3. I feel connected to people who shop on this company's online channels.	3.90	1.27	0.79
4. I build relationships with people who shop on this company's online channels.	3.50	1.42	0.70
5. I feel that this company's online shoppers understand me.	4.09	1.32	0.76

Table 5.11: Scale summary for OCM

Dimensions and Items	Mean	SD	Item-to-total Correlation
Dimension 1: Channel functionality			
1. This company's online channels allow me to purchase products and services any time I want.	5.63	0.96	0.50
2. All the online channels of this company are accessible 24/7.	5.67	1.05	0.50
3. This company's online channels automatically update my purchase history.	5.13	1.14	0.60
4. All the online channels of this company ensure shoppers' privacy and security.	5.39	1.03	0.55
Dimension 2: Channel integration			
1. This company's online channels allow shoppers to respond to comments made by others.	4.32	1.23	0.58
2. All the online channels of this company always display virtual assistance to shoppers.	4.39	1.17	0.60
3. All the online channels of this company provide live assistance tools to shoppers.	4.40	1.19	0.64
4. This company's online channels have a live chat system for shoppers.	4.27	1.25	0.53

5.2 Data Analysis (Third Round Data)

Structural equation modelling (SEM) is a renowned method of statistical analysis used by researchers to explain the relationships or interrelationships between various constructs through conducting a series of calculations (Hair et al., 2010). For the current research, SEM was used for various analyses including CFA to refine the constructs and the items of their dimensions and to verify their thresholds for reliability (construct, convergent and discriminant). Structural equation modelling (SEM) was also used to examine the path analysis derived from the research

questions and hypothesised relationships in the research model (see Chapter 4, Figure 4.1).

5.2.1 Validation of COSE and OCM measures

To validate the measurement properties of the COSE and OCM scales, confirmatory factory analysis (CFA) with Varimax rotation for the individual models was next conducted firstly on the new sample (n=308). The standardised regression weight for each of the following constructs exceeded the minimum requirement (0.50) which confirmed again their association with their respective dimensions in this final sample (Hair et al., 2010).

Perceived Social Presence

Model fit: χ² = 12.73, df = 6, RMSEA= 0.060, SRMR= 0.017, GFI = 0.987, CFI = 0.994, NFI = 0.989, TLI = 0.985

Social Affiliation

Model fit: χ² = 2.51, df = 4, RMSEA= 0.000, SRMR= 0.007, GFI = 0.997, CFI = 1.0, NFI = 0.998, TLI = 1.003

Channel Functionality

Model fit: χ² = 0.60, df = 1, RMSEA= 0.000, SRMR= 0.001, GFI = 1.0, CFI = 1.0, NFI = 1.0, TLI = 1.010

Channel Integration

Model fit: χ² = 2.78, df = 1, RMSEA= 0.076, SRMR= 0.014, GFI = 0.996, CFI = 0.997, NFI = 0.995, TLI = 0.980

Figure 5.6 CFA for COSE and OCM

As can be seen in Figure 5.6, both dimensions of COSE and OCM had acceptable goodness-of-fit indices (χ^2/df < 3.0, RMSEA < 0.08, SRMR < 0.05, GFI > 0.90, CFI > 0.90, NFI > 0.90 and TLI > 0.90) in accordance with recommendations made by researchers such as Hair et al. (2010). The calculated Cronbach's alpha values for all constructs exceeded the suggested threshold of 0.70 to support composite reliability (CR) (Nunnally, 1978; Hair et al., 2010). After the final sample complied with the suggested values of the fit indices, the convergent, discriminant, nomological and predictive validity of both constructs were tested, along with the other constructs used in this study.

5.2.2 Measurement Model

In the previous sections, the current research's key constructs of interest, namely, COSE and OCM and their dimensions were investigated by focusing on an individual measurement model (a one-factor congeneric model) using CFA to ensure their unidimensionality, reliability and validity, as suggested by O'Leary-Kelly and Vokurka (1998). Following Gerbing and Anderson's (1988) two-step approach to SEM, firstly, a comprehensive measurement model using the combined data with all observed variables loaded onto their respective latent variables was estimated to assess convergent and discriminant validity. The goodness-of-fit measures for the measurement model (see Figure 5.13) indicated a good fit with χ^2 = 818.868, df = 404, RMSEA = 0.058, SRMR = 0.07, GFI = 0.848, CFI = 0.938, NFI = 0.886 and TLI = 0.929 (Hair et al., 2010; Hu & Bentler, 1999; Forza & Filippini, 1998). Most of the fit indices met the requirements for the measurement model: even though the values for GFI and NFI did not exceed 0.9 (the threshold value), they still met the requirement of exceeding 0.08 as suggested by Forza and Filippini (1998), Baumgartner and Homburg (1995) and Doll, Xia and Torkzadeh (1994). The standardised root mean square residual (SRMR) was also close to the threshold value less than 1 deemed acceptable (Kline, 2005).
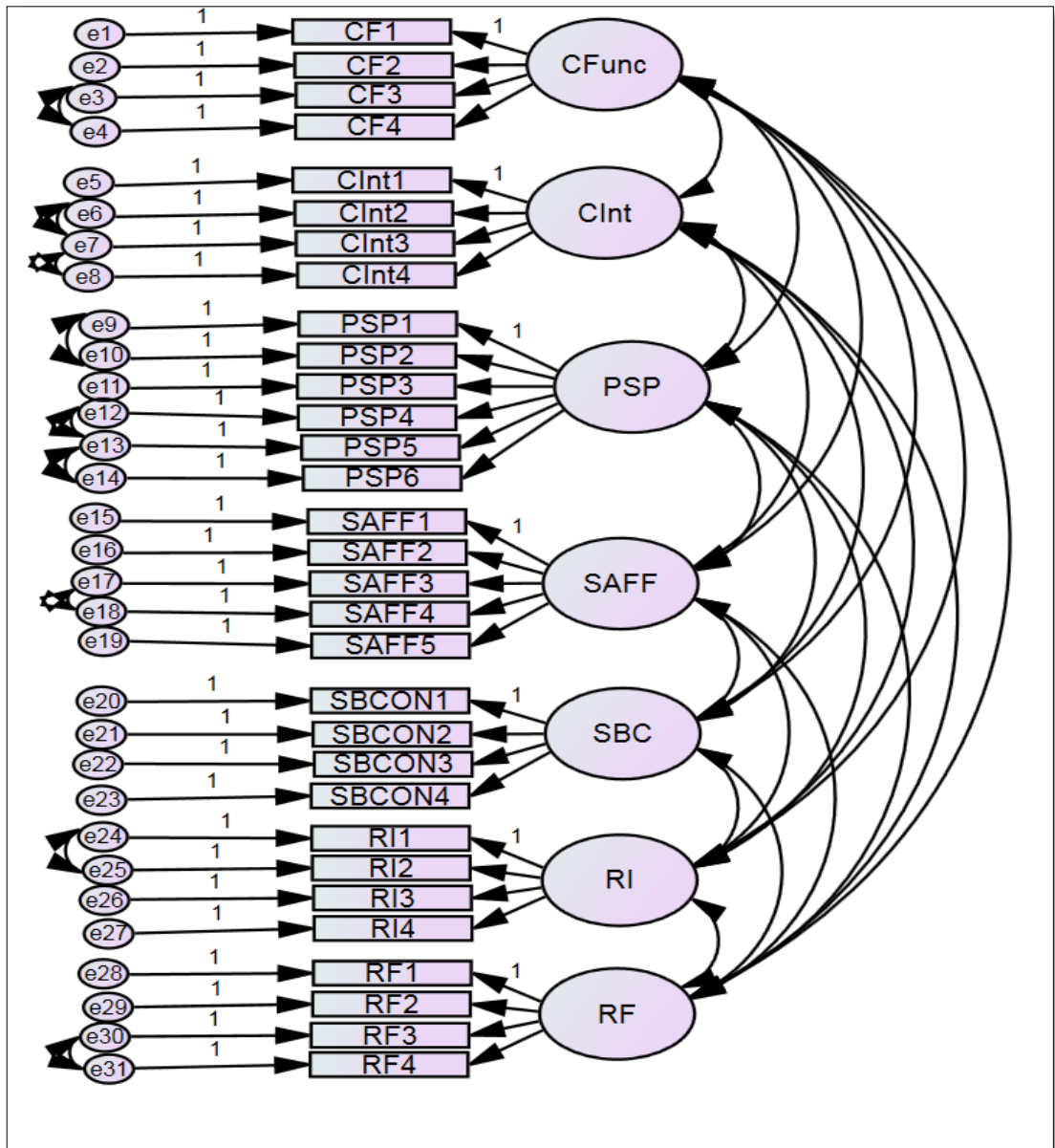
Model fit: χ^2 = 818.868, df = 404, RMSEA= 0.058, SRMR = 0.07
GFI = 0.848, CFI = 0.938, NFI = 0.886, TLI = 0.929

Figure 5.7: Measurement model

Note: CFunc => Channel functionality; CInt => Channel integration; PSP => Perceived social presence; SAFF => Social affiliation; SBC => Self-brand connection; RI => Repurchase intention; RF => Referral behaviour

Table 5.12: Measurement model

Constructs and items	CFA loading
Channel functionality: **[AVE = 0.70; CR = 0.90]**	
1. This company's online channels allow me to purchase products and services any time I want.	0.90
2. All the online channels of this company are accessible 24/7.	0.88
3. This company's online channels automatically update my purchase history.	0.59
4. All the online channels of this company ensure shoppers' privacy and security.	0.63
Channel integration: **[AVE = 0.75; CR = 0.92]**	
1. This company's online channels allow shoppers to respond to comments made by others.	0.69
2. This company's online channels always display virtual assistance to shoppers.	0.80
3. This company's online channels provide live assistance tools to shoppers.	0.82
4. This company's online channels have a live chat system for shoppers.	0.63
Perceived social presence: **[AVE = 0.71; CR = 0.93]**	
1. I feel a sense of human contact while shopping on this company's online channels.	0.78
2. I feel a sense of personalness while shopping on this company's online channels.	0.81
3. I feel a sense of human touch while shopping on this company's online channels.	0.88
4. I feel a friendly atmosphere while shopping on this company's online channels.	0.80
5. I feel that I am not alone while shopping on this company's online channels.	0.68
6. I receive feedback while shopping on this company's online channels.	0.61
Social affiliation: **[AVE = 0.82; CR = 0.95]**	
1. I am actively involved with people who shop on this company's online channels.	0.82
2. I am attached to this company's online shoppers.	0.88
3. I feel connected to people who shop on this company's online channels.	0.87
4. I build relationships with people who shop on this company's online channels.	0.79
5. I feel that this company's online shoppers understand me.	0.83

Self-brand connection:
 [AVE = 0.81; CR = 0.94]
    1. This company reflects who I am.
    2. I can identify myself with this company.
    3. I feel personally connected with this company.
    4. This company suits me well.
	
	 0.87
	 0.90
	 0.86
	 0.74

Repurchase intention:
 [AVE = 0.70; CR = 0.90]
    1. Even in the case of price increase, I will buy products from this company online in future.
    2. I will dedicate all my future purchases in the product category to this company.
    3. I consider this company as my only choice for shopping in the product category.
    4. I choose this company as my first choice while buying in this area.
	
	 0.73
	
	 0.86
	
	 0.71
	
	 0.75

Referral behaviour:
 [AVE = 0.66; CR = 0.88]
    1. I say positive things about the company.
    2. I share my shopping experience with relatives and friends.
    3. I recommend shopping with this company to others.
    4. I recommend and/or engage in positive word of mouth about this company on social media.
	
	 0.79
	 0.79
	
	 0.86
	
	 0.50

5.2.2.1 Convergent and discriminant validity

To assess convergent validity, the average variance extracted (AVE) values for each dimension were calculated for OCM, COSE, self-brand connection (SBC), repurchase intention and referral behaviour. As outlined in Table 5.13, convergent validity was supported as all items loaded significantly at 0.01 level on their expected latent constructs and the AVE values for each construct exceeded 0.50 (Raimondo, Miceli, Costabile, 2008; Fornell & Larcker, 1981). Discriminant validity was examined by looking at the correlations between COSE and OCM dimensions and the three related constructs (established scales) within this study, namely, self-brand connection (SBC), repurchase intention and referral behaviour. The highest correlation (0.64) was found between perceived social presence and social affiliation: this was deemed acceptable as Kline (2005) suggested the estimated correlations between constructs should be below 0.85. Discriminant validity was confirmed for all latent constructs as the square root of each construct's AVE was greater than its

bivariate correlation with the other constructs in the model (Fornell & Larcker, 1981; Bagozzi & Yi, 1988).

Table 5.13: Convergent and discriminant validity: composite reliability, correlations of constructs and √AVE

Constructs	CR	AVE	√AVE	PSP	SAFF	CFUN	CINT	SBC	RI	RF
Perceived Social Presence (PSP)	0.93	0.71	0.84	**1**						
Social Affiliation (SAFF)	0.95	0.82	0.90	**0.64**	**1**					
Channel Functionality (CFUN)	0.90	0.70	0.83	**0.33**	**0.25**	**1**				
Channel Integration (CINT)	0.92	0.75	0.86	**0.48**	**0.56**	**0.45**	**1**			
Self-brand Connection (SBC)	0.94	0.81	0.90	**0.62**	**0.63**	**0.48**	**0.55**	**1**		
Repurchase Intention (RI)	0.90	0.70	0.84	**0.53**	**0.56**	**0.18**	**0.36**	**0.56**	**1**	
Referral Behaviour (RF)	0.88	0.66	0.81	**0.52**	**0.50**	**0.34**	**0.40**	**0.55**	**0.52**	**1**

Note: CR = composite reliability, √AVE = square root average variance extracted, constructs' bivariate correlations are in bold

5.2.3 Nomological network and predictive validity of COSE and OCM

As for predictive and nomological validity, they can be examined by investigating the theoretical relationships between COSE and OCM along with the research's additional constructs of interest namely, 'self-brand connection (SBC)', 'repurchase intention' and 'referral behaviour'.

5.2.3.1 Nomological validity

As discussed previously, the measurement model fit indices lent support that the constructs were different from each other with this previously also supported by examining the square root of the AVE values of the research constructs and their absolute values of the standardised correlations (Table 5.18). All correlations

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between the dimensions of COSE and OCM, dependent variables (repurchase intention, referral behaviour) and moderating variable (self-brand connection [SBC]) had strong positive correlations and the factor loadings were significant at the $p < 0.05$ level. Hence, based on the previous analysis, convergent, discriminant and nomological validity were validated across the COSE and OCM dimensions, the consequences of COSE and the moderator between online omni-channel management (OCM) and customer online social experience (COSE).

5.2.3.2 Predictive validity

To assess the predictive validity, Gerbing and Anderson's (1988) procedure was followed to investigate the path relationships of this study's conceptual framework, as shown in Chapter 4. Predictive validity refers to the ability of an independent construct to show a significant and positive effect on the dependent construct. Predictive validity of the OCM scale was explored by investigating its influence on customer online social experience (COSE). The COSE scale was further explored by investigating its subsequent impact on customer repurchase intention and referral behaviour.

5.2.3.3 Structural path relationships

The predictive validity of COSE and OCM was first tested by investigating their ability to predict customer repurchase intention and referral behaviour. To test predictive validity, the direct effects were first examined by investigating the relationships between COSE and OCM and between COSE and its outcome variables (repurchase intention and referral behaviour). The direct effects helped to test hypotheses H1(a), H1(b), H2(a), H2(b), H3(a), H3(b), H4(a) and H4(b), the development of which was shown in Chapter 4 (Table 4.1). For ready reference, the hypotheses developed in Chapter 4 are outlined in Table 5.14 below.

Table 5. 14: Structural model – Direct relationships (H1 to H4)

Hypothesis	
H1(a)	*Channel functionality has a positive effect on customer-perceived social presence.*
H1(b)	*Channel functionality has a positive effect on customer social affiliation.*
H2(a)	*Channel integration has a positive effect on customer-perceived social presence.*
H2(b)	*Channel integration has a positive effect on customer social affiliation.*
H3(a)	*Customer-perceived social presence positively influences customer*

	repurchase intention.
H3(b)	*Customer-perceived social presence positively influences customer referral behaviour.*
H4(a)	*Customer social affiliation positively influences customer repurchase intention.*
H4(b)	*Customer social affiliation positively influences customer referral behaviour.*

The fit indices for the direct effects structural model showed an acceptable fit with $\chi^2 = 761.440$, $df = 307$, RMSEA = 0.069, SRMR = 0.092, GFI = 0.839, CFI = 0.917, NFI = 0.870 and TLI = 0.906. After consulting the modification indices, some of the items' error terms of the same constructs were allowed to covary to improve the model fit (Brown, 2014). Even the GFI and NFI value is less than 0.90, it is still acceptable as the threshold value is 0.80 (Forza & Filippini, 1998; Greenspoon & Saklofske, 1998; Bettencourt & Brown, 1997). The SRMR value is also found to be within the acceptable limit (less than 0.10) suggested by Kline (2005). The structural path relationships and corresponding coefficients are shown in Table 5.15. Channel functionality has a significant positive influence on customer-perceived social presence ($\beta = 0.25$; $p < 0.01$) and has a positive effect on customer social affiliation ($\beta = 0.16$; $p < 0.05$). Channel integration has a positive influence on both customer-perceived social presence ($\beta = 0.48$; $p < 0.001$) and customer social affiliation ($\beta = 0.59$; $p < 0.001$). Customer-perceived social presence was found to have a significant positive influence on both customer repurchase intention ($\beta = 0.40$; $p < 0.001$) and customer referral behaviour ($\beta = 040$; $p < 0.01$). Customer social affiliation also had a positive effect on customer repurchase intention ($\beta = 0.41$; $p < 0.001$) and customer referral behaviour ($\beta = 0.31$; $p < 0.01$). Hence, H1(a), H1(b), H2(a), H2(b), H3(a), H3(b), H4(a) and H4(b) were supported. Furthermore, the R^2 value for the model for repurchase intention was 0.48, meaning that customer-perceived social presence and social affiliation caused 48% of the variation in the dependent variable, repurchase intention. For the second dependent variable—referral behaviour—the R^2 value was 0.37, meaning that customer-perceived social presence and social affiliation caused 37% of the variation in the dependent variable, referral behaviour.
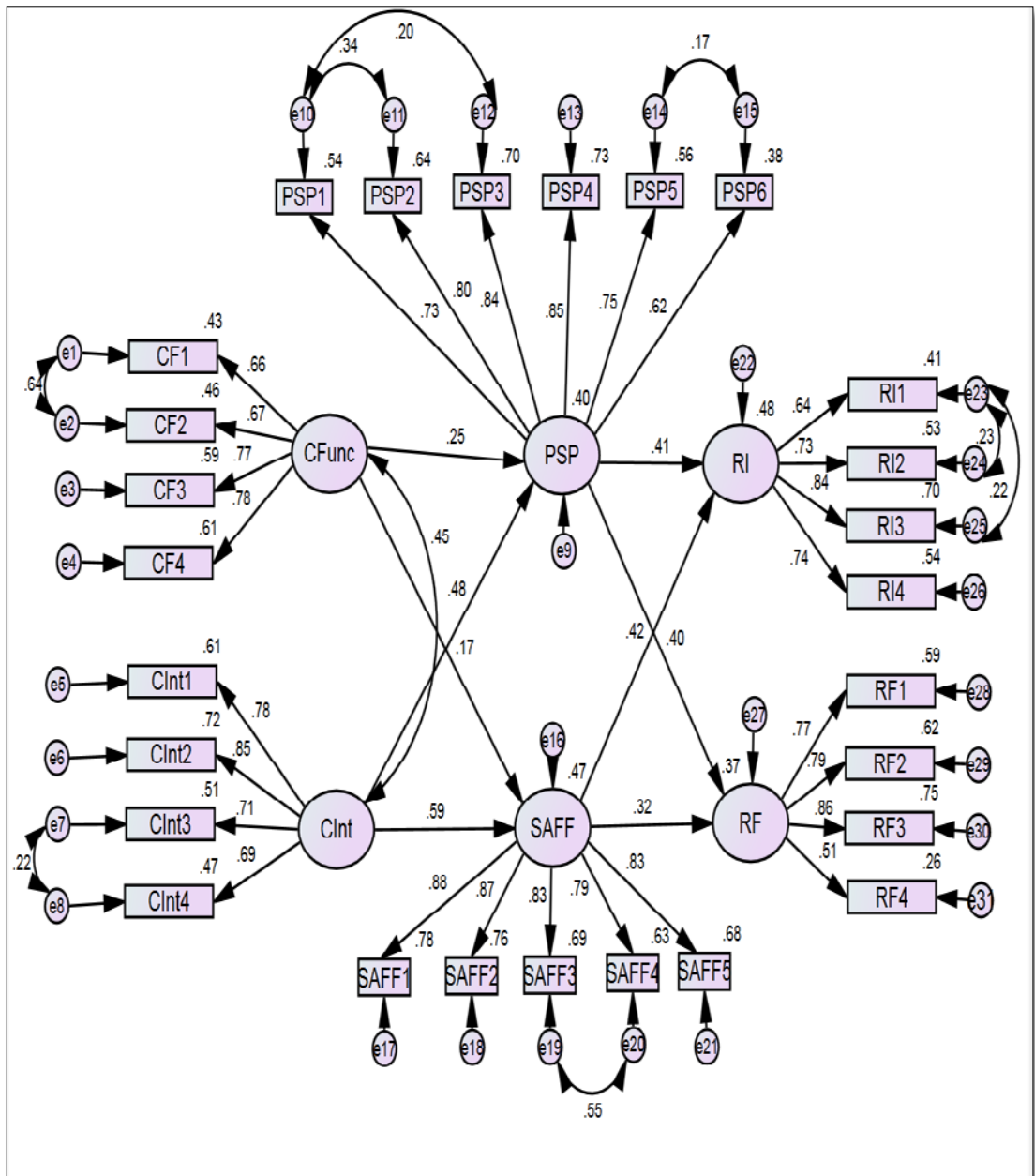
Model fit: χ² = 761.440, *df* = 307*,* RMSEA= 0.069, SRMR = 0.092,
GFI = 0.839, CFI = 0.917, NFI = 0.870, TLI = 0.906

Figure 5.8: Structural model

Note: CFunc => Channel functionality; CInt => Channel integration; PSP => Perceived social presence; SAFF => Social affiliation; SBC => Self-brand connection; RI => Repurchase intention; RF => Referral behavior

Table 5.15: Results of structural model

	Hypothesis	Regression weights	*t*-value	*p*-value	Conclusion
H1(a)	*Channel functionality has a positive effect on customer-perceived social presence.*	0.25	3.44	0.000	*Supported*
H1(b)	*Channel functionality has a positive effect on customer social affiliation.*	0.16	2.51	0.012	*Supported*
H2(a)	*Channel integration has a positive effect on customer-perceived social presence.*	0.48	5.98	0.001	*Supported*
H2(b)	*Channel integration has a positive effect on customer social affiliation.*	0.59	8.01	0.001	*Supported*
H3(a)	*Customer-perceived social presence positively influences customer repurchase intention.*	0.40	4.74	0.001	*Supported*
H3(b)	*Customer-perceived social presence positively influences customer referral behaviour.*	0.40	4.68	0.001	*Supported*
H4(a)	*Customer social affiliation positively influences customer repurchase intention.*	0.41	5.10	0.001	*Supported*
H4(b)	*Customer social affiliation positively influences customer referral behaviour.*	0.31	3.96	0.001	*Supported*

5.2.3.4 Indirect relationships – Mediating role of COSE

In addition to the above-hypothesised relationships, the mediating effect of COSE was investigated in the relationship between OCM and repurchase intention and referral behaviour. The motivation to test the mediation effect of COSE was primarily derived from the findings in the existing literature on the OCE dimensions ('cognitive' and 'affective'). Prior research has tested the mediating effect of OCE dimensions; for example, Eroglu et al. (2001) suggested that online atmospherics influence the responses of online shoppers through the intervening effects of affective and cognitive experiential states.

In relation to COSE, the existing literature indicated the potential mediating effect of COSE; for instance, Wakefield et al. (2011) argued that online users would be

intrinsically motivated to use an online channel for the social experience if they perceived the socialness elements as favourable. Likewise, users' patronage of an online channel (e.g. a website) can be induced by the level of politeness and friendliness conveyed by the interface (Reeves & Nass, 1996). Furthermore, Holzwarth et al. (2006) found that a high level of perceived social presence on the online interface leads to a more positive attitude towards the intention to shop on that channel.

Taking into consideration the previous arguments, an investigation was conducted to examine the mediating role of social experience ('social affiliation' and 'perceived social presence') on the relationships between online omni-channel management (OCM) (channel functionality and channel integration) towards repurchase intention and referral behaviour. Following Reimann, Schilke and Thomas (2010), the current study examined both the direct effects (from OCM to repurchase intention and OCM to referral behaviour) and the indirect effects (from OCM to repurchase intention via COSE and OCM to referral behaviour via COSE) to check for full/partial mediation.

The relationships between channel functionality and channel integration with repurchase intention and referral behaviour via customer-perceived social presence were examined. The direct effect of channel functionality on repurchase intention ($\beta = 0.10$; $p > 0.05$) was found to be insignificant but the direct effect on referral behaviour was found to be significant ($\beta = 0.25$; $p < 0.001$). The direct effects of channel integration on repurchase intention ($\beta = 0.03$; $p > 0.05$) and referral behaviour ($\beta = 0.06$; $p > 0.05$) were found to be insignificant.

The indirect effects of channel functionality on repurchase intention ($\beta_{indirect} = 0.051$; CR = 1.70, $p > 0.05$) and referral behaviour ($\beta_{indirect} = 0.042$; CR = 1.68, $p > 0.05$) via perceived social presence were found to be insignificant. Therefore, customer-perceived social presence did not mediate the relationship between channel functionality towards repurchase intention and referral behaviour. The indirect effects of channel integration on repurchase intention ($\beta_{indirect} = 0.044$; CR = 1.37, $p > 0.05$) and referral behaviour ($\beta_{indirect} = 0.036$; CR = 1.38, $p > 0.05$) via customer-perceived social presence were found to be insignificant. Hence, customer-perceived

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social presence did not mediate the relationship between channel integration via customer-perceived social presence to repurchase intention and referral behaviour.

The relationships between channel functionality and channel integration with repurchase intention and referral behaviour via customer social affiliation were examined. The direct effect of channel functionality on repurchase intention ($\beta = 0.10$; $p > 0.05$) was insignificant however the direct effect of channel functionality on referral behaviour ($\beta = 0.26$; $p < 0.001$), was found to be significant. The direct effects of channel integration on repurchase intention ($\beta = 0.04$; $p > 0.05$) and referral behaviour ($\beta = 0.08$; $p > 0.05$) were found to be insignificant.

The indirect effects of channel functionality on repurchase intention ($\beta_{indirect} = 0.016$; $CR = 0.69$, $p > 0.05$) and referral behaviour ($\beta_{indirect} = 0.009$; $CR = 0.60$, $p > 0.05$) via social affiliation were found to be insignificant. Hence, customer social affiliation did not mediate the relationship between channel functionality towards repurchase intention and referral behaviour. The indirect effect of channel integration on repurchase intention ($\beta_{indirect} = 0.114$; $CR = 2.65$, $p < 0.05$) via social affiliation was significant. However, the indirect effect of channel integration on referral behaviour ($\beta_{indirect} = 0.063$, $CR = 1.75$, $p > 0.05$) via social affiliation was found to be insignificant. These results indicate support that social affiliation partially mediates the relationship between channel integration towards repurchase intention but did not mediate the relationship between channel integration and referral behaviour.

5.2.3.5 *Moderating role of self-brand connection*

The level of the moderating effect of self-brand connection (SBC) (H5[a-d]) was then examined by investigating whether the path coefficients differed between customers who were highly connected to and/or associated with the company and customers who had low connection/association with the company. For this purpose, the median-split (median value = 4.4) of the data set was conducted to create two groups – low SBC (n= 156) and high SBC (n= 152). Following the multi-group moderation technique used by Walsh, Evanschitzky, & Wunderlich (2008), and by more recent studies in the literature such as Roy and Rabbanee (2015), the study considered the chi-square values and degrees of freedom (*df*) of the unconstrained model (no restrictions applied to any of the paths) versus the same values of a fully

constrained model (restrictions applied to all paths of the model). The unconstrained model fit indices were found to be satisfactory with $\chi^2 = 979.874$, $df = 558$, RMSEA= 0.050, SRMR = 0.066, GFI = 0.809, CFI = 0.903, NFI = 0.804 and TLI = 0.887. The fit indices of the fully constrained model (restricting all the paths of the model) were also found to be acceptable with $\chi^2 = 996.483$, $df = 566$, RMSEA = 0.050, SRMR = 0.076, GFI = 0.809, CFI = 0.901, NFI = 0.800 and TLI = 0.886. While the GFI, NFI and TLI values were less than 0.90, researchers have argued that a value greater than 0.80 is still an acceptable threshold (Forza & Filippini, 1998; Greenspoon & Saklofske, 1998; Bettencourt & Brown, 1997). The differences in the values for chi-square and degrees of freedom (df) of $\Delta\chi^2 = 16.609$, $\Delta df = 8$ and $p < 0.05$ hence suggested that the two models with high SBC and low SBC differed from each other. The path coefficients and corresponding p-value of both models based on high SBC vs low SBC are reported below in tables 5.16 and 5.17.

Table 5.16: Structural path: High SBC

High SBC					
			Estimate	**CR**	*p*
CFunc	⟶	PSP	0.305	2.68	0.007
CFunc	⟶	SAFF	0.152	1.61	0.107
CInt	⟶	PSP	0.240	2.22	0.027
CInt	⟶	SAFF	0.518	4.98	0.001

Table 5.17: Structural path: Low SBC

Low SBC					
			Estimate	**CR**	*p*
CFunc	⟶	PSP	-0.027	-0.27	0.789
CFunc	⟶	SAFF	-0.024	-0.24	0.803
CInt	⟶	PSP	0.346	2.99	0.003
CInt	⟶	SAFF	0.369	3.36	0.001

The effect of channel functionality on perceived social presence was significant for customers who felt connected to the brand/company ($\beta = 0.305$, CR = 2.659, $p < 0.05$) but was insignificant for customers who had low association with the brand/company ($\beta = -0.027$, CR = -0.27, $p > 0.05$). This supports H5 (a). The effect of channel functionality on social affiliation was insignificant for both customers who felt connected ($\beta = 0.152$, CR = 1.63, $p > 0.05$) to the brand/company and customers who had low association with the brand/company ($\beta = -0.024$, CR = -0.248, $p > 0.05$). The effect of channel integration on perceived social presence was

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significantly stronger for customers who had low association with the brand/company ($\beta = 0.346$, CR = 2.989, $p < 0.01$) compared to customers who were highly connected to the brand/company ($\beta = 0.240$, CR = 2.22, $p < 0.05$). The effect of channel integration on social affiliation was significant for both the groups of customers who felt highly connected to the brand/company ($\beta = 0.518$, CR = 4.987, $p < 0.001$) and who had low association with the brand/company ($\beta = 0.369$, CR = 3.369, $p < 0.001$); and the path coefficient for high SBC ($\beta = 0.518$) is stronger than the path coefficient for low SBC ($\beta = 0.369$) leading to support H5 (d). The summary of the moderating hypotheses are shown in Table 5.18.

Table 5.18: Moderation hypotheses (H5 [a-d])

Hypothesis		Outcome
H5(a)	*The effect of channel functionality on perceived social presence is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.*	*Supported*
H5(b)	*The effect of channel functionality on social affiliation is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.*	*Not supported*
H5(c)	*The effect of channel integration on perceived social presence is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.*	*Not Supported*
H5(d)	*The effect of channel integration on social affiliation is higher (lower) for customers who have a stronger (weaker) connection with the brand/company.*	*Supported*

5.3 Conclusion

This chapter has outlined the quantitative analysis (Study 2) which followed the established scale development procedures to develop, test and validate COSE and OCM measures. As described in this chapter, Study 2 comprised a series of eight steps that followed the scale development process. The study's findings provided support for the soundness of the psychometric properties for both COSE and OCM measures. A discussion of the key findings for both studies (Study 1 and Study 2) is presented in the next chapter (Chapter 6) with due theoretical support from the relevant literature.

CHAPTER 6

DISCUSSION AND IMPLICATIONS

6.0 Introduction

This research investigates the dimensions, driver and consequences of customer online social experience (COSE) through two studies. Study 1 (Chapter 3) focused on exploring the concept of COSE in terms of its dimensions, driver and consequences in the online environment. Following this, Study 2 (Chapter 5) was carried out to develop measures for online omni-channel management (OCM) and COSE and to empirically validate both scales by examining the relationships highlighted in the conceptual framework (Figure 4.1). The effect of OCM on COSE was tested. Furthermore, the effects of COSE on customer repurchase intention and referral behaviour were investigated. Finally, the moderating role of customer self-brand connection (SBC) on the link between COSE and OCM was tested in Study 2. The current chapter presents a discussion of the findings from the two studies and concludes by delineating this research's contributions and limitations.

6.1 Customer Online Social Experience (COSE)

6.1.1 Definition and dimensions of COSE

This research uncovered a new dimension viz. customer online social experience (COSE) of online customer experience (OCE). This is an interesting finding given that, thus far, OCE has been considered to comprise only two factors—cognitive and affective (Rose et al., 2012). This research defines COSE as:

> *customers' perception of having virtual human interactions while shopping across a company's various online channels including its websites, social networking sites, blogs and online communities. Such virtual human interactions include a perception of someone's presence for assistance and a sense of being affiliated to their preferred social group.*

Furthermore, this research found that COSE comprises two key dimensions: (a) customers' desire to receive virtual assistance while shopping online, just like they usually receive during their offline purchase; and (b) customers' tendency to be associated with others in their social network while shopping online. These two

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components were named 'perceived social presence' and 'social affiliation', respectively.

'Perceived social presence' is defined as the customer's sense of being assisted on a company's online channels. It includes the virtual assistance that customers usually experience while shopping online that conveys a sense of the company being present (virtually) to help customers. Due to the use of avatars, live chats and interactive communication on a company's website and social networking sites, customers feel the virtual presence of someone behind these channels to assist them. Furthermore, this research defines 'social affiliation' as the customer's feeling of being associated with a company's online shoppers and community.

Social affiliation has been recognised in social psychology as the individual's motivation to be related and engaged with other individuals (Sadowski & Cogburn, 1997; Scheier & Carver, 1992). The findings revealed that social interaction and the presence of other online shoppers influence customers' purchase decisions when they are evaluating a company's products or services. Online shoppers like to hear other shoppers' opinions on a company's offerings before they complete their purchase. They also enjoy building relationships and being part of a company's community. These findings show that companies' peer-to-peer support channels, such as social media, empower online shoppers to simultaneously help themselves and other shoppers. The research findings clearly indicate the importance of promoting a human approach that goes beyond personalisation and transparency by being more social and accessible to customers across companies' online channels.

6.1.2 Measures of COSE

This research developed measures for both COSE dimensions. A six-item scale was developed for 'perceived social presence' with measurement items focusing on 'feeling a sense of human contact'; 'personalness'; 'human touch'; 'friendly atmosphere'; 'not being alone'; and 'receiving feedback' while shopping on the company's online channels. Three of the six items were derived from the qualitative findings (in Study 1) as follows: 'I feel a friendly atmosphere while shopping on this company's online channels'; 'I feel that I am not alone while shopping on this company's online channels'; and 'I receive feedback while shopping on this

company's online channels.'. The remaining items were contextualised based on the existing 'social presence' scale developed by Gefen and Straub (2003).

The measures for 'social affiliation' included five items covering customers being 'actively involved with the people'; 'attached to this company's online shoppers'; 'connected to people who shop on this company's online channels'; 'build relationships with the people who shop on this company's online channels'; and 'this company's online shoppers understand me'. The five items were mainly derived from the in-depth interviews.

The scales developed for measuring 'perceived social presence' and 'social affiliation' as dimensions of COSE met the criteria of all psychometric properties including composite reliability (CR), and content, discriminant and convergent validity.

6.2 Omni-channel Management (OCM)

6.2.1 Dimensions and measures of OCM

This research revealed online omni-channel management (OCM) to be the key driver of customer online social experience (COSE). This research further revealed two key dimensions of OCM, namely, 'channel functionality' and 'channel integration'. Channel functionality covers aspect of online channels such as ensuring the operationalisation (such as privacy and security procedures) and accessibility of the online channels 24/7 as well as promoting the same level of personalisation across these channels. Channel integration, on the other hand, focuses on the integration of the interactive features across a company's online channels to promote customer-to-company and customer-to-customer (C2C) interactions. The interactive features include cues such as live chats, avatars, social media, instant feedback, etc.

6.2.2 Measures of OCM

Furthermore, this research developed measures for both dimensions of OCM: 'channel functionality' and 'channel integration'. A four-item scale was developed for 'channel functionality' with measurement items assessing the accessibility and personalisation of a company's online channels, such as being able to 'access a company's online channels 24/7'; 'purchase products and services at any time';

'automatically update my purchase history'; and 'ensure shoppers' privacy and security'. The four items were mainly derived from the qualitative findings.

The measure for 'channel integration' includes four items covering the availability of 'live assistance tools'; 'have a live chat system for shoppers'; 'display of virtual assistance'; and being able to 'respond to comments made by others'. Three of the four were revealed in the in-depth interviews as follows: 'this company's online channels have a live chat system for shoppers'; 'this company's online channels provide live assistance tools to shoppers'; and 'this company's online channels always display virtual assistance to shoppers'. The remaining item was adopted from the existing literature (Huang & Benyoucef, 2015). The scales to measure 'channel functionality' and 'channel integration' met the required psychometric properties.

6.3 Effects of OCM on COSE

This research examined the effects of the two OCM dimensions ('channel functionality' and 'channel integration') on the COSE dimensions ('perceived social presence' and 'social affiliation'). The results showed that 'channel functionality' positively influences both 'perceived social presence' and 'social affiliation'. This means that customers' perception of a company's online channels as being functional in terms of 24/7 accessibility, privacy and security assurance as well as having personalised features make them feel assisted by the company and facilitate their affiliation with the company's other online shoppers. Channel integration, the second dimension of OCM, was also found to influence customer 'perceived social presence' and customer 'social affiliation'. The company's online channels are considered as social actors facilitating interactive communications between a company and its customers through different social cues ('channel integration') that enable instant and consistent virtual assistance. The impact of this instant reciprocal communication consequently makes customers feel that there is someone virtually present behind their screens to attend to them which is in line with the effect of OCM on 'perceived social presence'. In addition, through using various cues on the online channels, customers can interact and build relationships with other shoppers. Therefore, ensuring social interactions through social cues and social actors on the company's online channels is critical to making customers feel the same level of presence or assistance that they would in an offline environment, and permits their

affiliation with a group or community of shoppers across a company's online channels.

6.4 Effects of COSE on Customer Behaviour

When customers felt assisted while shopping in different online channels of the company, their repurchase intention and referral behaviour were found to increase. These findings align with prior research which reported that online users who experience positive affect through the social features conveyed on a company's online channels are more likely to purchase from the company in future (Wakefield et al., 2011; Hassanein & Head, 2007; Jahng et al., 2007). Furthermore, the current study found that customer-perceived social presence positively influenced customer referral behaviour. Once customers feel that the company is here to attend to their query and provide them with instant assistance during their online purchase, they are more likely to refer this experience to their peers and family.

This research found that customers' social affiliation had a positive effect on customer repurchase intention and customer referral behaviour. Customers who have a sense of belonging to a company's online community are likely to refer the company to their social network and to have the propensity to shop with that company in future. These findings are in line with Bergkvist and Bech-Larsen (2010) and Baker et al. (2002) who suggested that customers who feel part of a company's online community and are attached to its members are more likely to purchase from that company in future and to refer the company to others.

6.5 Role of Self-Brand Connection (SBC) in the Relationship between COSE and OCM

This research has shown that customers' self-brand connection (SBC) has a positive moderating influence on the OCM–COSE link. The effect of channel functionality on perceived social presence was found to be more prominent for customers who have a strong connection with the brand/company compared to customers who had a low association with the brand/company. These findings suggest that customers who have a strong connection with the brand/company are more likely to value the accessibility of the online channels, the security and the personal account transmission across different media. The effect of channel integration on perceived

social presence is more important for customers who have low association with the brand/company as they may need more assistance to complete their purchase process across a company's online channels.The findings also revealed that the effect of channel integration on social affiliation is higher for customers who have a strong sense of connection with the brand/company as compared to the customers who have low association with the brand/company. Customers tend to develop association with fellow other shoppers in online and such tendency is influenced by the company's efforts to well integrate its online channels; and this link between channel integration and customers' social affiliation becomes even stronger if customers feel connected with the respective brand/company.

6.6 Mediating Role of COSE

As COSE is considered to be a new dimension of OCE (in addition to the cognitive and affective dimensions), this research investigated the mediating role of the COSE dimensions on the relationship between the OCM dimensions and customer behaviour. The results indicate that social affiliation partially mediates the relationship between channel integration and customer repurchase intention. This finding aligns with the findings of previous studies which have argued that online users will be intrinsically motivated to purchase on an online channel if they perceive the socialness elements on the channel as favourable and conveying a sense of friendliness (Rapp et al., 2013; Wakefield et al., 2011; Reeves & Nass, 1996). However, social affiliation was not found to mediate the relationship between channel integration and referral behaviour. The reason could be that customers may not need to feel part of a community to share their online experience on a company's online channels. As shown by previous research, other factors could influence customers' referral behaviour as people may share and contribute their knowledge because they want to gain informal recognition and establish themselves as experts (Wasko & Faraj, 2005). Perceived social presence was also found to have no mediating effect on the relationship between OCM and repurchase intention, as well as on the relationship between OCM and referral behaviour.

The following section presents the theoretical, methodological and managerial research contributions of this research.

6.7 Research Contributions

The findings of this research constitute several contributions to the broad area of the literature on online customer experience (OCE) and its implications for managers. The following section discusses the theoretical and methodological contributions and the managerial implications of the research.

6.7.1 Theoretical contributions

The research contributes to the existing online customer experience (OCE) literature in the following ways. Firstly, it is the foremost of its kind to attempt to conceptualise customer online social experience (COSE) in terms of providing a definition of COSE, identifying its key dimensions, drivers and consequences. In doing so, the research addresses recent calls from researchers (e.g. Lemon & Verhoef, 2016; Melero et al., 2016; Verhoef et al., 2009) to further conceptualise OCE in relation to its social aspect. The conceptualisation of COSE extends the existing social presence theory (Gefen & Straub, 2003) by showing its application in terms of offering a sense of warmth and sociability that customers experience on companies' various online channels.

Secondly, this research contributes to the extant omni-channel retailing literature. While Verhoef et al. (2015) introduced the topic of omni-channel management (OCM) through their conceptual and qualitative studies, respectively, this research identifies the dimensions ('channel functionality' and 'channel integration') of OCM and provides empirical evidence of OCM's significant positive impact on customer online social experience (COSE).

Thirdly, the positive effects of OCM on COSE extend the existing social response theory (Moon, 2000; Nass & Moon, 2000) by demonstrating how OCM, by using social cues (as part of 'channel integration'), can help customers to apply social rules and behaviours on a company's online channels.

Fourthly, this research offers a better understanding of customers' mental mechanisms in terms of how COSE can influence behavioural outcomes by showing that: (i) the COSE dimensions ('perceived social presence' and 'social affiliation')

influence both customers' repurchase intention and referral behaviour; and (ii) social affiliation mediates the OCM–COSE relationship.

Finally, the findings revealed that customers' self-brand connection (SBC) positively moderates the link between OCM–COSE to a certain extent. This finding further extends the existing OCM and OCE literature by identifying a new moderator, thus emphasizing that the effects of a company's online omni-channel management (OCM) on COSE can be strengthened by enhancing customers' perceptions of being more connected to the brand/company.

6.7.2 Methodological contributions

Under the methodological contributions, this research has developed statistically valid and psychometrically sound measures for COSE and OCM which can be used in future research. The COSE and OCM scale items were derived from the qualitative findings of this research. Empirical results found high convergent and discriminant validity of COSE and OCM scales showing their unique positions in a nomological network of related marketing constructs such as predicting customer repurchase intention and referral behaviour. Such evidence of the predictive validity of both the scales (COSE and OCM) satisfied the relevant criteria for the scale development process and have the potential to add a new perspective to marketing theories. Because the measures of COSE and OCM are parsimonious in nature, the scales would be easy to administer in survey instrument. As a valid and reliable tool, the scales therefore, enable a basis for future studies on COSE and OCM.

6.7.3 Managerial implications

The findings of this research have several managerial implications. Customers today spend a substantial amount of time on social media and Web 3.0, with its focus on humanization of the Internet, is prevalent. Therefore, a thorough understanding of COSE and its dimensions will help managers in developing appropriate strategies to engage customers across the company's online presence. In addition, it will help managers to provide strategies which offer customers rewarding experiences, thus leading to enhanced repurchase intention and referral behaviour. To achieve this outcome, managers need to make customers feel virtually attended to through the

right mix of online humanizing tools, such as live chat, virtual try-outs, social sharing ability, review sites and video conferencing capability.

The scale developed in this research for measuring COSE is based on two key components, namely, 'perceived social presence' and 'social affiliation'. This scale could be used by managers to assess if they have tailored sufficiently for customers' needs as they relate to their social experience on their company's online channels. This is important as customers are looking for personal, sociable, sensitive human aspects on an online channel as well as seeking to build relationships with other shoppers (Baldus et al., 2015; Ogonowski 2014).

As customers today start their purchase journey anywhere, any time and from any device and when they return to the website, they expect consistency, it has become critical for companies to be present across various online channels (Brynjolfsson et al., 2013). This research proposes an OCM measure that can assist managers to identify the respective influence on their customers' social experience of the functionality and integration of the social cues on their online channels. It is recommended that managers have mechanisms in place, such as the OCM scale, so they can detect underperforming online channels and avoid any major crisis (Brynjolfsson et al., 2013).

This research emphasizes the influence of online omni-channel management (OCM) on customer online social experience (COSE). Firms can improve COSE in an online omni-channel environment by coordinating and integrating their channels. This research found that this integration could be undertaken by ensuring functionality through the convenience and personalisation of channels as well as the integration of social cues. This finding suggests that if managers implement synergetic management of their online channels through functionality and the integration of social cues, their companies will be able to deliver a unified social experience to each customer across their online channels.

Customer online social experience (COSE) has been found to have a positive influence on repurchase intention and referral behaviour. Thus, it is important for practitioners and strategists to understand the key components of this experience, so

they can promote a sense of social presence and affiliation on their online channels. Managers should view COSE as a long-term strategy that can enhance their brand differentiation and competitive edge. For instance, the use of social media tools as part of a company's online channel can dramatically influence the company's performance through customer engagement and the value created from customer interactions (Rapp et al., 2013; Trainor, 2012). Therefore, implementing strategies to capture COSE will enable companies to create competitive advantages and to thrive in the new online environment as customers are seeking human assistance and sociality during their online purchases.

The important role of self-brand connection (SBC) in influencing the relationship between COSE and OCM, as observed in this study, suggests that managers must invest in enhancing the customer's self-brand connection (SBC). This is particularly important as customers with high brand/company connection are likely to pay attention to the company's online channels and reinforce the company's online community by building relationships with other shoppers. Managers need to develop strategies to enhance customers' connection with their company/brand.

6.8 Limitations and Future Research Directions

This study has several limitations. Firstly, the ability to generalise the findings of this research may pose concerns as data were collected only from Australia. Hence, future research could replicate this study in other contexts (Western or non-Western countries) to reduce the generalisability issue (Burgess & Steenkamp, 2006). Future studies might also identify the extent to which COSE varies across different industries or shopping frequencies.

Secondly, the theoretical model proposed for COSE was investigated only from the perspective of a business-to-customer (B2C) setting. It would be valuable to investigate whether these findings are applicable in B2B or C2C contexts.

Thirdly, this research focused only on the positive affect of customer online social experience (COSE). However, customers encounter both positive and negative experience while interacting with a company. Further studies could explore the

difference between customers' online positive and negative social experience with regard to different outcomes such as the amount of customer spend.

Fourthly, the narratives from the informants in Study 1 were self-reported which could have resulted in a loop (errors and/or exaggerations) when reporting the sequence of the informants' online experiences. In future, studies could collect qualitative data on OCE by analysing social media posts and comments or by using actual behavioural data from companies.

Fifthly, while this study has presented empirical evidence on the link between COSE and repurchase intention and referral behaviour, it would be worthwhile for future studies to test the effect of COSE on other outcomes, such as actual purchases and the share of wallet.

Sixthly, future research could model OCM and COSE as higher order constructs to capture more concrete understanding of their individual dimensions.

Lastly, this research uses customer self-brand connection (SBC) as a moderator between online omni-channel management (OCM) and customer online social experience (COSE). Future work could consider other customer-related factors, such as the individual's habits, skills and hedonic vs. utilitarian motivational orientation, to test their moderating effects on these relationships.

Despite the above limitations, this research plays a pioneering role in examining the social aspect of online customer experience (OCE). It moves the body of knowledge forward on OCE by introducing, developing and validating the measures of two new constructs: customer online social experience (COSE) and online omni-channel management (OCM). These measures will help companies to design, monitor and assess OCE in order meet the needs of customers who cherish the social aspects in the online context. Thus, the study makes important contributions to research on aspects relating to online customer experience (OCE) and omni-channel management (OCM) in the current competitive retail landscape.

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APPENDICES

Appendix I: Informant Invitation Email

Dear [insert name],

I am undertaking a Doctor of Philosophy at Curtin University. As part of my PhD I am conducting a study to investigate online customer experience during online purchase with retailers and service providers.

Information for the study will be gathered during a face-to-face interview and will provide crucial insights for academics and practitioners. I appreciate if you could take 30 to 45 minutes of your time to participate. A summary of our findings will be sent to all participants upon request. All responses will remain anonymous and any information provided by you will be treated in strict confidence. Your name or the company's name of which you are a customer at will not be revealed in this study and all information will be aggregated, therefore your response will remain anonymous. Furthermore, there will be no link made between you and the company.

All data will be stored in a safe place at Curtin University in accordance with the national protocol guidelines for ethical research available from Curtin Office of Research and Development http://research.curtin.edu.au/ or (08) 9266 7863. The Curtin University Ethics Committee has cleared the interview structure in line with the Curtin University policy on research with low risk involving human participants. The approval registration number is: **HRE2016-0248**

Please note: You have a choice to participate in this study and may end the interview at any stage without giving justification. In this instance, any data given by you will be removed. Verbal consent before the interview will be taken as evidence of consent to participate in this study. If you are interested in participating in this research, please respond to this email to schedule the interview. Thank you for considering and I am hoping to hear from you soon.

Kind regards,
Revadee Vyravene
Email: revadee.vyravene@curtin.edu.au
Mobile: 0424 880333

Appendix II: Sample Transcript from Semi-structured Interview

Interviewer: Hi [Informant] as you know today the purpose of this interview is to have a better understanding of your thoughts while purchasing online a product or service online and your experience during this purchase. Just a bit of background as mentioned in the email, my research focuses on understanding customer experience in online. The reason why I am pursuing this research is to mainly enrich the literature within the field of online retailing as there are still some gaps and lack of understanding within the online experience context at the moment. So as I mentioned to you by email, if you don't want to answer any of the questions, you can let me know. Also as I discussed previously, it is an academic research, so this interview will be recorded, transcribed and everything remain confidential and if you ever require the transcript, you can just let me know and I'll send to you by email. Ok, Should we start?

Informant: Yes please.

Interviewer: So first of all do you shop online?

Informant: Yes of course I do.

Interviewer: How often do you think you shop online in a month?

Informant: Well I would say that I shop at least three to four times per month and that really depends on the type of shopping I really want to do. For example there are purchases that are directly related to my work but I also shop for my personal needs which I would say should be on average really four to five times per month.

Interviewer: Okay, if you don't mind me asking what are your key motivations to actually shop online?

Informant: To be very honest it is really the ease of access. I can access any company's page online at any point of time, from any place and you also have the

possibility of comparing online. Well I do know that you won't have the essence of touch and approach in case of buying that and it's a service of course you won't be able to touch as it is intangible. But, you really can have an indication, have a perception what really the product is about and purchase from your screen. Also, you can compare products between themselves and also at the same time you can look at reviews or what others guests or what other customers who used the product or service have to say. That can really help you shop that product while you go to a physical store. From a business point of view, Internet made it easier to do business as customers are shopping online at any point of time and really from anywhere. And you can, it's really easy to pay, you just need a credit card but I personally prefer a secure way of payment through [Company] as I always get a receipt from them and you get a buyer guarantee. Some online companies that I know they give you the guaranty that that if you are not satisfied with the product or if you did not receive the item or the product, they are going to refund you. So these are my key motivations to buy online rather than a physical store and then come the price factor it's always cheaper to buy online than a physical store.

Interviewer: Would you say you are the type of person who enjoys browsing a lot than purchasing your product or are you are the type of the person has their own website preference?

Informant: That again depends on the product and type of item I really want to buy. But most of the time ... In case I'm buying on [Company], I already know the website and there is a reason why I always go to buy on websites like [Company] or [Company] because there is always that sense of guarantee but if it is a product that I'm not too familiar with or its website then I spend my time browsing on that website, spending my time to understand how the product and features are being displayed, what are the prices or are they any special offers, last minute discounts, something like that, I just spend my time to read and understand it, if I pass this phase and I get what I really want then it help me to establish trust with that website. When that is done, I just need to click on a button and make a purchase.

Interviewer: Do you browse a lot?

Informant: I would say, I would spend at least 60% browsing, 40% going to familiar website. Because, the reason is I really want to compare things and I really believe that other websites are offering better services and products. So that's the key reason why I want to browse. It's not all websites have new inventories or new innovations. That's why we really need to compare, really need to broaden our knowledge about the key products and services that are being served.

Interviewer: Okay, you mentioned you buy online quite often, so, I'm assuming that you have specific website that you have as favorites for specific your products or services?

Informant: Of course, there are websites I saved as favorites. So first of all, I think there is the factor of popularity of the website that comes in play, because it's like the sheep effect. Everyone is going there and I will just follow like everyone else. And it's just by curiosity that I will go on one specific website. I will check what is it really offering? What type of product or services is present there? And, then based on that I will browse on that website. If I find something interesting, I will buy. If I got the product or the item or the service that I wanted, the way that I really was expecting it or it was beyond my expectations then I tend to feel a kind of loyalty to that website because I'm happy. If I'm a happy customer of course I'm going to share my personal experience. Like, others are looking for personal experience. I'm going to share online. Then in future I will on this website because I know what kind of service on product I can expect next time and I can directly make my purchase instead of losing my time and going to looking for new website. But saying that for instance I want to buy a casing for my mobile phone. I won't go to look an Amazon I know it's easier for my case in my country it's really easier to buy that on E-bay and I know that I'm going to get in that particular of time delivered at my place. That's another reason I would stick to some particular websites.

Interviewer: So would you also say that these websites match your needs in a sense, as a customer?

Informant: Yes, some of the websites do. But there's always the risk factor that photos are non-contractual because you cannot see the product you cannot like for

instance I just gave you a perfume. You can't smell it. You can order products online but you cannot really see or touch the product. So you really don't know what you're expecting at the end. That's really the fear-factor I would say that's really where I need to take precautions to really understand what am I really going to expect in the end, after the purchase, is the product really going to match what I was expecting? or is it going to exceed my expectation?. So far, from personal experience, the websites I have used met my expectations I think. One thing that I enjoyed was the way they presented their products online with the use of highly graphically images and colorful designs to reallyput lights on the features of the product so that's it's going to be eye-catching. From a business mind I know this can really influence the customer buying online behaviour on retail websites; it's pictures and images. So if you're going to go online and focus on these features then the websites really need to be designed properly. But online it is also really easy to communicate with the company. I can talk to anyone on social media and I can compose an email in case I need assistance before buying and send an e-mail to that company with all my questions but in a physical store, if I would go there I would be kind of a bit hesitant to ask questions. Maybe one or two then I would just buy that product because that salesperson is going to influence me to buy. And because the salespersons are really going to use psychological influences and at the end they're going to convince you to buy something that is more expensive that might not really satisfy your needs and wants. So, coming back to online retail, the interesting fact here is that, you really have the last word. In the purchase decision-making. Because you are going to take all the information present on the website form online review and then asking and decide then if you want to purchase the product or not.

Interviewer: So no third- party pressure during that purchase is this what you mean?

Informant: Yeah, you don't have anyone influencing you and that's where you take the decision to click on that button and you can try to make a purchase.

Interviewer: Great thank you for your thoughts so far. [Informant], would you mind describing one of your online shopping journey? How did you hear about a product and all the steps that you took before you actually receiving the product?

Informant: Sure. So I brought my mobile phone on [Company] and people told me never buy your phone on [Company] but I took the risk of buying it and that's because you don't really know if the mobile phone you're going to get is the original one or because since it is coming from [Country] you can have I don't know some kind of toy that comes in the box. But, how did I take the decision to go there. Well simple because [Company] uses an interesting strategy called remarketing in the initial marketing turn which means that I was just browsing mobile phones, smartphones best smartphones, in 2015 and then I was browsing websites because I wanted to know the price. I went on [Company] and then I went on [Company]. I compared the price for the same product and them I even went on [Company] and some other kind of websites. I even went on the phones brand website to see the price there because the way I am the kind of person who is quite sensitive. And interestingly, it was cheaper on [Company] but I didn't want to compromise quality with price so again, I was doing more intensive research about that. Now how did the remarketing impacted me? I just know that the price is cheaper there on [Company] and on [Company] it was more expensive but really it's the same sellers that are in [Company] that are on [Company]. And that I've seen from personal experience, eventually, that was just in my mind. I knew I wanted a mobile phone but I really didn't know when I wanted to buy that. So, this where re-marketing comes in place. Whenever, I was browsing websites. I'm love reading news and updates on companies online and I saw a banner ad suddenly which started to follow me everywhere I was going so on different sites. I've been on [Company] to check out its latest news, on other technology related websites and I was always seeing that banner ad from [Company]. At the end that banner ad really influenced me to go and buy on [Company]. Really I went against the advice of everyone even on the web or friends who recommended not to buy on [Company] anymore but I insisted and bought that because I knew I had the guaranty and I just bought it, a few weeks I got my mobile phone and I'm just more than happy because I took the risk of buying there it was cheaper it's the original one, because I could create an access to the brand website and I had all the features that the original website would have given me so I was over the moon with the product.

Interviewer: And everything was smooth in term of the payment?

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Informant: Yeah for this purchase it was. But I can reminder few issues I had in the past while buying online. There are two considerations here. Whenever you're buying online, always be careful to share credit card numbers because we really don't know if that online payment gateways on any online retail website is going to direct you to an external third party or is it a fishy website or is it really a true payment gateway. And most of them unfortunately they will ask you to input your credit card directly. For example I had one situation where a payment gateway is, could not accept MasterCard but accepted only Visa. But again there was the risk of sharing your credit card number there, and then the second thing is there's no guarantee there because you're buying your stuff directly from a credit card the transaction happens between the payment Gateway Company and your bank. So, there's really not any guaranty there. So, that's why I started using and I always encourage people to use [Company]. Even though you're paying your commission there, it's all included in the product price. You can be sure that when you're paying for that item, the money is going to stay on [Company] for 90 days. Yeah, it has been reviewed now, it is 60 days. The retailer is not going to receive the money before 60 days, right and you always have guarantee. And again, [Company] is secure and you can be almost 100% sure if you're always checking your 'UOM' before making a payment that there is no spoiling, fishy things that have been done. So that's the thing if occurs then that really causes a frustration. Another problem as well is that you really don't know if the product is going to be ship to your place, or even ship to your country as some sellers just state worldwide but then they do not ship to some specific places.

Interviewer: And as you purchased quite often online, have you noticed any kind of assistance available to you within websites?

Informant: From my work itself, as I'm the digital marketing/commerce executive at the [Luxury Resort Head Office]. Given we are in the hospitality industry, people actually care about getting online assistance. Any guest before booking a hotel, they will browse at least 186 websites before actually making a purchase decision. That I'm talking about long-call destination. For city Motel, it's even less than that, it's about 16 websites. And what they are really looking for because it is an intangible product, people cannot actually view, cannot really give a sense, a physical

description about the experience there. Even though people are leaving online reviews on websites like: [Company]. That's just someone perspective; you cannot consume that product unless you are at the hotel at that place experiencing its service delivery. So they always have questions. Visitors to our websites always have questions, they're not looking for the information that they want to see or they're just too impatient to have the information right-away. That's why I implemented a chat service on our website. But a best thing in that case, it's not reactive it is proactive. That is I've done the settings in such a way that you're spending at least 60 seconds on one specific page. Because, we design our online platforms as such that one person should be able to find the information that he or she is looking for in 60 seconds. It means, if that person is still browsing after 60 seconds, it means that the person could not find at least what he was looking for. So that is where the chat will pop up: "Hello, thanks for visiting our website". And that small message is going to appear: "How may I help you, today?" something easy like that. The conversation rate thanks to that tool increased by 42% in just 6 months. So this is something I can share with you from my perspective from my experience in the hospitality industry. But personally myself, while browsing on online retail website, I think is important to have someone to assist me. Because, I want someone to provide me information because for instance: I don't know if let's say, I want to check if a specific product has 12 months guarantee, right. If a chat service can provided this information then in a sense, it is reassuring you, that yes the product you're buying that I'm giving you has the guaranty with that. Same issue if I want to know what is covered by that guarantee? In a physical store you may ask, you can ask that, feel free to ask that but you may impose that you get a written copy of that term of guaranty. But, only sometimes it really doesn't' mention what kind of conditions are attached. I really want a platform provided by a company where I can ask all the questions I have, I don't want to take the trouble of going to go physically to check with the business, I want them to be available online to attend me quickly but a lot of websites till date don't provide such assistance and it is annoying as a customer. They just have a contact form, whatever you fill in the gap. I've just had that issue with one company in the U.K, where I contacted them. It has been already 6 days, I still never got an acknowledgment of the request I sent online.

Interviewer: But, do you think like while doing all these live chats and support in a sense that can help you as a customer in a sense to feel more comfortable and more attached with the company and buy from them?

Informant: Yes of course. Let's see the online retailer website as a service provider, right. Now, when you will go on the website you will just see there's an interaction between you and a computer. There's no human-touch there. You cannot ask the computer any question. And if you really want to build a relationship with that company, with that particular website, you cannot do it. It's just like you're looking information that have been presented to you. You are using your own emotional factor as an influencer if you really want to trust that website or not. It is much easier to have a human interaction attached to that website where that person is going to provide all the kind of information that you want, all the kind of assistance. While I am browsing and I have already made my mind to buy that product that's when the live chat comes into play because I am getting a human interaction, I want to ask as many question as I want to that person and that person is going to drive me on the website and make me finally complete my purchase smoothly. People really need to have the reassurance that whenever they are browsing a website they can talk to someone at any point of time either it's by phone call or live chat. If they constantly see that there is someone there to help them for any questions they might have during their browsing or window looking or even trying to make a purchase they feel trusted towards that brand website because they know there is someone who can help them and that's really that human touch and that drive that loyalty and really help them to drive any frequent purchaser. Because, most of the reasons why people leave shopping carts is either: there are hidden prices or lack of customer support, this is something that happens in most online retail shops. There were hidden prices, there are payment problems or the payment never gone through, the credit card wasn't accepted, no live chats. So, even in some cases, I've seen myself experiencing that. I wanted to book one item but in the end there were 4 items in the shopping cart. So, if I really did not pay attention into that. I would have paid for more. So, I knew immediately that there have been a bug in that website and immediately I closed. I didn't even complete my transaction. So yeah, if I were to ask someone a question, that kind of assistance, that kind of human-touch is really important. Now, one of the most important thing is when I browse a website, if I already made my mind to buy

one specific product. I'm going to do that. I just need to put that into the shopping cart and click on that button to make a purchase. But, what if I don't have anything planned I need to have the possibility to contact the company. For instance, for my mobile phone, I contacted the seller asked that person all kind of information that I wanted, I got my reply within 48 hours. Because I already made my mind, I wanted to buy that from this particular company I did have some set questions to ask them. But, if I had no prior choice of mobile phones and was checking online, I would look for more options. People now are practicing a rate, a strategy called rate priority or best rate guarantee for the products and services that they are buying. Which means that whenever you're going to see the mobile phone on the brands' website or you're going on [Company] or you're going on [Company], you're going to find the same price. And I've seen some models [brand] for instance does that. But I think the fact that I contacted [Company] and they send me a message back within 48 hours has really turn me of in buying that product.

Interviewer: Okay, thank you for that. What would you suggest companies to do as you talk about human-touch, right? What would you suggest companies to do to promote that human-touch?

Informant: Well, there's always that statement service with the touch and websites can, in tools like Google Analytics, they can really see, they can make a whole conversation funnel. They can really see where the people are abandoning their online retail website. And by using that kind of information, they can really see that there's this specific problem on one kind of specific page. And, they can try to use all these knowledge to try to guess why there's really a problem there. But, it can be much easier to just have someone, an online chat to have that human-touch, to really decrease that abandon rate on the website. Now, that's the first thing. Contact form is already outdated. So, if they constantly see that there's someone present here, to on the website that there's always someone here to help them out for any question that they might have during either browsing, they window-looking or even trying to make a purchase. They feel some kind of trust towards that brand, towards that website. Because, they know that there's someone who can really help them and that's really that human-touch that drives that brand loyalty and eventually help them to drive away any kind of frequent purchases.

Interviewer: Have you noticed that companies nowadays are going on a phone app for instance? What are your thoughts about this?

Informant: People are always on the moon and on the move as well. Especially youngsters and they always have their phone glued on in their hands. And from my perspective, from the hospitality perspective, I have seen that 80% of people browse product from their mobile phone first, they chose a product, they want to know more about the product but they will always to a purchase on a website. That's for hospitality. [Company] for instance, is 50-50 for the time being. But, it is slowly growing. But, brand apps are installed only when customers have developed some kind of loyalty to that specific brand. Only then, when they perceive benefits from having that app always on their phone. That's why, they're going to install it. And they're going to usually, people are going to install specific app on their phone for online retailer/purchasing, they're the ones who are going to buy more often.

Interviewer: Okay. Do you think it's a must for companies to be present on different platforms?

Informant: Yes, they always need to be present because people are looking for their products and services in all channels, all distributions and trying to distribute.

Interviewer: And, what about the information on the channel? How do you think they should be structured? Should they be all the same or different?

Informant: People who are actually browsing from mobile devices, they want information fast and quick. They don't want to see all kind of descriptive texts. They just want it to be really brief, because that's why they're browsing on their mobile website. If they're really browsing from their Desktop, it's that they want to learn more about that product. So yes, there need to be, there's something called brand consistency. The type of message, the wording that is being used on different distribution channels needs to be consistent needs to be the same, I don't want to go on my mobile app on my mobile phone and see for that particular brand one kind of description and then I would go on the desktop and see something else there and I

will be confused I won't know which is which, there really needs to be consistency in terms of imagery in terms of text and description but it should be lighter on the mobile phone compared to the website. And then, it needs to be in control by the brand or by the website owner or management team to ensure that the content is, has a consistent flow respective of the distribution channel.

Interviewer: Okay. Let's talk about one channel specifically. Let's say, social media. Do you have a social media account?

Informant: Yes, I do.

Interviewer: Do you follow any company on social media? If yes why, so?

Informant: Well, social media now is used more as a tool for stalking your friends or colleagues rather than just building relationships. But, regarding a brand, [Company] has developed some kind of strategy. First, I'll just take [Company] as an example. It has really been developed as a tool to act as a best-friend for the user. They provide all kind of information that the person needs in one-stop shop, which is really updates about friends and relatives.Updates about specific pages, channels, updates about brands they really want to follow. The reason why, they really want to follow a specific brand on the website. According to the studies for the hospitality industry again, for some specific retail business people actually looking for special offers or for discounts. That's why they follow brands on social media, it's not really to have an update for the last product, for the latest product. But, let's talk about [Mobile Phone Brand] now. People are always looking for new features, new developments from [Mobile Phone Brand]. So that's why they follow that kind of brand on online social media. From a personal angle, there are couple of reasons. The information you get on social media is up to date, at the same time you can see how people are interacting with the brand there so if you need to make a decision about a brand on Facebook, you can do that in couple of seconds just by browsing their main website and social media. And, in case you have questions, you can contact the branch through inbox so that's really easy. And that's the kind, that's the way you can keep up-to-date, of course to really have newsfeed as we call that on Facebook about that particular brand. In a sense, some people just might dream about a specific

product, they just wish they want to buy that product one day. And they really want to always keep them reminded: "I'll do that for one specific trademark". I really want to be reminded about that. I won't have the time to go and browse websites about that. It would just act as a motivational factor for my future accomplishments, I would say. So, that's why I'm following that brand. Let's take that into the hospitality perspective, some people dream about coming to [Country] or going to the [Country]. So that's why they would like some specific brand or some specific hotels in that destination. So, eventually they dream to go there. That's the first destination of their holiday planning.

Interviewer: But, let's put you in a situation, right. You have a good experience with the brand. You go online and post your experiences and people from that social media page reply to your post. How do you feel?

Informant: I'm just acting as a brand advocate. I'm just spreading the positive word of mouth of the brand. And in a sense, it's just I have posted a satisfaction because really what influence me at some point of time to become loyal to that brand means some people feedback influence me, right. So, what I'm doing, I just took back from that online community, I'm giving it back to that community. And people, if they are committing to my, on my online experience, to the experience that I started online, of course I feel valued and I feel personally satisfied.

Interviewer: Do you feel like you know or a part of their community?

Informant: Yes, if I didn't feel part of the brand I would have never followed it and in the worst case I would have never taken the trouble of going and sharing my experience online. Also, if I want to act as brands advocate I will only do it when I'm really satisfied about a specific brand, about a specific product, Let's say for instance, I'm buying online from a website, and if I'm satisfied by that seller, I'm going to leave a review for that seller on their website as well. This reminds me of another company [Company] in the U.S, now spreading usually around the world. This company I know is encouraging people to share their online experiences in order to get special deals or special offers or discounts for any particular product that they want.So, that's kind of a strategy that will prior product or the company is using

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to increase market share, to increase audience reach by using their existing or new customers as brand advocates. And, finally getting a benefit out of that. So again, people are always going to share on social media if there's any personal benefit that they will get in later. Yeah so that is what I think technology is just shaping the way we behave.

Interviewer: *So, how likely are you going to purchase something online soon?*

Informant: Soon! I just did on today and I'm going to do another one tomorrow morning.

Interviewer: *Thank you [Informant] very much for your time and your input. As I mentioned [Informant], if you ever need any information or the transcript, please do let me know. I would like to thank you once again for your participation.*

Informant: Thank you, all the best to you.

End of interview.

Appendix III: Final Research Instrument (Online Panel)
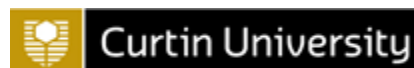
Curtin University

Information Sheet

Dear Participant,

I am a Doctorate of Philosophy (PhD) student of School of Marketing, Curtin University. My PhD research project focuses on investigating Online Customer Experience.

I would like to invite you to participate in a survey. Your participation in this study is voluntary and you may withdraw from the study at any time. Kindly note that all the information provided by you will be kept confidential and will be used for academic purposes only. I would be grateful if you could spare about 10-15 minutes to participate in this survey. Your responses will enable me to understand the different key concepts related to this research. Your consent to participate in the survey will be obtained automatically if you fill in the survey. Should you have any questions, please do not hesistate to contact me on 0424880333 or by email at revadee.vyravene@postgrad.curtin.edu.au. Also, you may also contact my PhD supervisor Dr Fazlul Rabbanee from the School of Marketing of Curtin University by email at f.rabbanee@curtin.edu.au.

Curtin University Human Research Ethics Committee (HREC) has approved this study (HRE2016-0248). Should you wish to discuss the study with someone not directly involved, in particular, any matters concerning the conduct of the study or your rights as a participant, or you wish to make a confidential complaint, you may contact the Ethics Officer on (08) 9266 9223 or the Manager, Research Integrity on (08) 9266 7093 or email hrec@curtin.edu.au.

☐ I have received information regarding this research and had an opportunity to ask questions.
  I believe I understand the purpose, extent and possible risks of my involvement in this project and
  I voluntarily consent to take part.

QUESTIONNAIRE

This study is relating to your online purchase experience. Please think about your recent online purchase from a company dated less than 3 months (for example, during last Christmas, New Year, or Valentines Day). Kindly answer the following questions and statements based on the experience that you had during your purchase process across the company's different online channels such as its website, mobile applications, social media, etc. Please DO NOT consider any online auction or generic e-shopping platform such as E-bay, Amazon, Kogan, etc. for your answer.

Part I

Q 1: (a) What product or service did you buy? ……………………

(b) Which company did you buy the product/service from? ………………………

(c) How much did you spend? Answer: $AUD……………

(d) Which online channel did you use to complete your purchase?

   (i) Website (ii) Mobile App (iii) Social media (Facebook, Twitter, Instagram, Pinterest)

   (iv) Blog   (v) Other (*please specify*)…………………..

(e) In which channel did you first notice this product?

   (i) Website (ii) Mobile App (iii) Social media (Facebook, Twitter, Instagram, Pinterest)

   (iv) Blog   (v) Other (*please specify*)…………………..

(f) In general, how often do you shop online?

   (i) Never   (ii) Occasionally   (iii) Frequently   (iv) Always

(g) How often do you shop online in a month (approximately)?

   (i) Once   (ii) Twice   (iii) Three times   (iv) Four times

   (v) Five times   (vi) More than five times

(h) On average, how much do you spend for shopping online in a month? Answer: $AUD……………………

(i) How often do you buy products or services from this company's online channels as compared to other online firms or e-retailers? Please provide your answer in percentage (%) (for example: 10%, or 50% or 70%, etc.) ………………………………………%

(j) Do you usually keep yourself updated or follow this company or brand in online?

   (i) Yes (ii) No

   If yes, which online channels do you use to keep yourself updated or follow this company's activity?

   (i) Website (ii) Mobile App (iii) Social media (Facebook, Twitter, Instagram, Pinterest)

   (iv) Blog   (v) Other (*Please specify*)…………………..

(k) How often do you like, share, or comment on the channels that you selected previously?

   (i) Never   (ii) Occasionally   (iii) Frequently   (iv) Always

Q 2. Please indicate based on to what extent do you agree or disagree with the following statement based on the recent online purchase experience with the company that you mentioned earlier.

	Statements	Strongly Disagree					Strongly Agree	
2.1	I say positive things about the company.	1	2	3	4	5	6	7
2.2	I share my shopping experience with relatives and friends.	1	2	3	4	5	6	7
2.3	I recommend shopping with this company to others.	1	2	3	4	5	6	7
2.4	I recommend/or engage in positive word-of-mouth about this company in social media.	1	2	3	4	5	6	7
2.5	Even in the case of price increase, I will buy products from this company online in future.	1	2	3	4	5	6	7
2.6	I will dedicate all my future purchases in the product category to this company.	1	2	3	4	5	6	7
2.7	I consider this company as my only choice for shopping in the product category.	1	2	3	4	5	6	7
2.8	I choose this company as my first choice while buying in this area.	1	2	3	4	5	6	7

Q 3. Please indicate based on to what extent do you agree or disagree with the following statement based on the recent online purchase experience with the company that you mentioned earlier.

	Statements	Strongly Disagree					Strongly Agree	
3.1	I feel a sense of human contact while shopping on this company's online channels.	1	2	3	4	5	6	7
3.2	I feel a sense of personalness while shopping on this company's online channels.	1	2	3	4	5	6	7
3.3	I feel a sense of human touch while shopping on this company's online channels.	1	2	3	4	5	6	7
3.4	I feel a friendly atmosphere while shopping on this company's online channels.	1	2	3	4	5	6	7
3.5	I feel that I am not alone while shopping on this company's online channels.	1	2	3	4	5	6	7
3.6	I receive feedback while shopping on this company's online channels.	1	2	3	4	5	6	7
3.7	I am actively involved with people who shop on this company's online channels.	1	2	3	4	5	6	7
3.8	I am attached to this company's online shoppers.	1	2	3	4	5	6	7
3.9	I feel connected to people who shop on this company's online channels.	1	2	3	4	5	6	7
3.10	I build relationships with people who shop on this company's online channels.	1	2	3	4	5	6	7
3.11	I feel that this company's online shoppers understand me.	1	2	3	4	5	6	7

Q 4. Please indicate based on to what extent do you agree or disagree with the following statement based on the recent online purchase experience with the company that you mentioned earlier.

	Statements	Strongly Disagree					Strongly Agree	
4.1	This company's online channels allow me to purchase products and services any time I want.	1	2	3	4	5	6	7
4.2	All the online channels of this company are accessible 24/7.	1	2	3	4	5	6	7
4.3	This company's online channels automatically update my purchase history.	1	2	3	4	5	6	7
4.4	All the online channels of this company ensure shoppers' privacy and security.	1	2	3	4	5	6	7
4.5	This company's online channels allow shoppers to respond to comments made by others.	1	2	3	4	5	6	7

		Strongly Disagree						Strongly Agree
4.6	All the online channels of this company always display virtual assistance to shoppers.	1	2	3	4	5	6	7
4.7	All the online channels of this company provide live assistance tools to shoppers.	1	2	3	4	5	6	7
4.8	This company's online have a live chat system for shoppers.	1	2	3	4	5	6	7

Q 5. Please indicate one option based on to what extent you agree or disagree with the following statements regarding your relationship with this company.

	Statements	Strongly Disagree						Strongly Agree
5.1	This company reflects who I am.	1	2	3	4	5	6	7
5.2	I can identify myself with this company.	1	2	3	4	5	6	7
5.3	I feel personally connected with this company.	1	2	3	4	5	6	7
4.4	This company suits me well.	1	2	3	4	5	6	7

Q 6. The following section contains demographic questions that are used to help classify information. Your responses will not be linked to you in any way and will remain confidential. Please answer all questions by indicating <u>one</u> number for each question.

6.1	Gender	(i) Male		(ii) Female				
6.2	Age group	i) 18-24	ii) 25-31	iii) 32-38	iv) 39-45	v) 46-52	vi) 53-59	vii) 60 and above
6.3	Your Education Completed: (i) Primary school (ii) High school (iii) TAFE (iv) Undergraduate Degree (iv) Postgraduate degree							
6.4	Weekly income (in $AUD)	i) less than $500	ii) $500 – $1,000	iii) $1,001 - $1,500	iv) $1,501 – $2,000	v) $2,001 – $2,500	vi) $2,500 – $ 3000	vii)More than $3,000
6.5	Your ethnic origin: (i) Asian (ii) Australian (iii) European (iv) American (v) African (vi) Middle-eastern; (vii) Other *(please specify)*: …………………………							

Thank You

Thank you for taking time out to participate in our survey. We truly value the information you have provided. As a **'Thank you'** for sharing your time, we would like to invite you to enter an alternative prize drawing. Please enter your email address below to enter the draw to win Coles Group and Myer Gift Cards. Winners will be drawn by the end of June and contacted by email.

1st Prize: **1*** **Winner** Coles Group & Myer Gift Card (worth $100)

2nd Prize: **2** * **Winners** Coles Express Gift Card (worth $50)

3rd Prize: **5** * **Winners** Coles Express Gift Card (worth $20).

Email address: _____

Appendix IV: Descriptive Statistics of OCM and COSE Scale Items Used

1) Sample 1 (*n*=124)

Descriptive Statistics				
	Mean	Std. Deviation	Skewness	Kurtosis
Pooled Sample Study 2 - (n=124)				
I feel a sense of human contact while shopping on this company's online channels.	3.40	1.67	0.10	-0.99
I feel a sense of personalness while shopping on this company's online channels.	3.92	1.61	-0.31	-0.91
I feel a sense of human touch while shopping on this company's online channels.	3.29	1.67	0.09	-1.11
I feel a friendly atmosphere while shopping on this company's online channels.	4.25	1.59	-0.27	-0.70
I feel that I am not alone while shopping on this company's online channels.	3.72	1.81	0.09	-1.06
I receive feedback while shopping on this company's online channels.	3.59	1.76	0.20	-0.90
I am actively involved with people who shop in this company's online channels.	2.49	1.55	0.73	-0.39
I am attached to this company's online shoppers.	2.53	1.68	0.76	-0.65
I feel connected to people who shop on this company's online channels.	2.68	1.65	0.55	-0.93
I build relationships with people who shop on this company's online channels.	2.44	1.53	0.80	-0.26
I feel that this company's online shoppers understand me.	2.71	1.60	0.52	-0.78
This company's online channels allow me to purchase products and services any time I want.	5.62	1.54	-0.71	-0.76
This company's online channels are accessible 24/7.	5.72	1.50	-0.91	-0.19
This company's online channels automatically update my purchase history.	5.26	1.52	-0.67	-0.06
This company's online channels ensure shoppers' privacy and security.	5.17	1.62	-0.67	-0.22
This company's online channels allow shoppers to respond to comments made by others.	4.29	2.02	-0.24	-1.12
All the online channels of this company always display virtual assistance to shoppers.	3.95	1.97	-0.06	-1.07
All the online channels of this	4.04	1.95	-0.05	-1.06

company provide live assistance tools to shoppers.			
This company's online channels have a live chat system for shoppers.	3.84	2.00	.00	-1.18

2) Sample 2 (*n*=204)

Descriptive Statistics				
	Mean	Std. Deviation	Skewness	Kurtosis
Pooled Sample Study 2 - (n=204)				
I feel a sense of human contact while shopping on this company's online channels.	3.34	1.64	0.13	-0.90
I feel a sense of personalness while shopping on this company's online channels.	3.86	1.56	-0.36	-0.85
I feel a sense of human touch while shopping on this company's online channels.	2.99	1.56	0.38	-0.77
I feel a friendly atmosphere while shopping on this company's online channels.	4.37	1.55	-0.41	-0.34
I feel that I am not alone while shopping on this company's online channels.	4.05	1.58	-0.29	-0.53
I receive feedback while shopping on this company's online channels.	3.82	1.73	-0.194	-0.98
I am actively involved with people who shop on this company's online channels.	2.98	1.70	0.38	-1.00
I am attached to this company's online shoppers.	2.79	1.63	0.49	-0.80
I feel connected to people who shop on this company's online channels.	2.85	1.69	0.56	-0.74
I build relationships with people who shop on this company's online channels.	2.66	1.70	0.72	-0.57
I feel that this company's online shoppers understand me.	2.96	1.64	0.39	-0.88
This company's online channels allow me to purchase products and services any time I want.	5.96	1.28	-1.20	0.80
This company's online channels are accessible 24/7.	5.92	1.26	-1.20	1.36
This company's online channels automatically update my purchase history.	5.50	1.30	-0.33	-1.14
This company's online channels ensure shoppers' privacy and security.	5.49	1.23	-0.24	-1.14
This company's online channels allow shoppers to respond to comments made by others.	4.52	1.76	-0.44	-0.58
All the online channels of this	3.91	1.74	-0.18	-0.82

company always display virtual assistance to shoppers.				
All the online channels of this company provide live assistance tools to shoppers.	4.02	1.79	-0.21	-0.88
This company's online channels have a live chat system for shoppers.	3.95	1.90	-0.13	-1.04

3) Sample 3 (*n*=308)

Descriptive Statistics				
	Mean	Std. Deviation	Skewness	Kurtosis
Pooled Sample Study 2 - (n=308)				
I feel a sense of human contact while shopping on this company's online channels.	4.12	1.32	-0.07	-0.35
I feel a sense of personalness while shopping on this company's online channels.	4.29	1.19	-0.34	-0.22
I feel a sense of human touch while shopping on this company's online channels.	4.11	1.30	-0.11	-0.48
I feel a friendly atmosphere while shopping on this company's online channels.	4.44	1.20	-0.17	-0.33
I feel that I am not alone while shopping on this company's online channels.	4.41	1.18	-0.20	-0.24
I receive feedback while shopping on this company's online channels.	4.27	1.27	-0.13	-0.44
I am actively involved with people who shop on this company's online channels.	3.58	1.43	0.23	-0.51
I am attached to this company's online shoppers.	3.82	1.33	0.20	-0.46
I feel connected to people who shop on this company's online channels.	3.90	1.27	0.10	-0.47
I build relationships with people who shop on this company's online channels.	3.50	1.42	0.21	-0.50
I feel that this company's online shoppers understand me.	4.09	1.32	-0.07	-0.39
This company's online channels allow me to purchase products and services any time I want.	5.63	0.96	-0.51	0.48
This company's online channels are accessible 24/7.	5.67	1.05	-0.77	0.91
This company's online channels automatically update my purchase history.	5.13	1.14	-0.28	0.11
This company's online channels ensure shoppers' privacy and security.	5.39	1.03	-0.32	0.03
This company's online channels allow shoppers to respond to comments made by others.	4.32	1.23	-0.15	0.16
All the online channels of this company always display virtual assistance to	4.39	1.17	-0.18	0.31

shoppers.				
All the online channels of this company provide live assistance tools to shoppers.	4.3994	1.19	-0.14	-0.07
This company's online channels have a live chat system for shoppers.	4.27	1.25	-0.13	-0.17

Appendix V: Paired Sample *t*-Test between First 25% and Last 25% Responses

Particulars		Mean	Mean Difference	t	df	p	Comment
Pair 1	CFuncFirst25% CFuncLast25%	5.46 5.48	-0.02	-.142	76	0.88	NS
Pair 2	CIntFirst25% CIntLast25%	4.23 4.34	-0.11	-.718	76	0.47	NS
Pair 3	PSPFirst25% PSPLast25%	4.20 4.36	-0.16	-1.023	76	0.31	NS
Pair 4	SAFFFirst25% SAFFLast25%	3.73 3.79	-0.06	-.399	76	0.73	NS
Pair 5	RIFirst25% RILast25%	3.83 3.99	-0.16	-.890	76	0.37	NS
Pair 6	RFFirst25% RFLast25%	4.71 4.47	0.24	1.067	76	0.29	NS
Pair 7	SBCFirst25% SBCLast25%	4.53 4.47	0.06	.369	76	0.71	NS

Note:

NS = not significant

CFunc => Channel functionality; CInt => Channel integration; PSP => Perceived social presence; SAFF => Social affiliation; SBC => Self-brand connection; RI => Repurchase intention; RF => Referral behavior

Appendix VI: Common Method Bias (Total Variance Explained)

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.803	41.299	41.299	12.803	41.299	41.299
2	2.734	8.818	50.117			
3	2.041	6.583	56.700			
4	1.617	5.217	61.917			
5	1.273	4.105	66.022			
6	1.246	4.020	70.042			
7	1.054	3.400	73.442			
8	.736	2.375	75.817			
9	.685	2.210	78.028			
10	.555	1.790	79.818			
11	.549	1.771	81.589			
12	.530	1.711	83.300			
13	.487	1.570	84.870			
14	.449	1.449	86.318			
15	.403	1.299	87.617			
16	.367	1.183	88.801			
17	.345	1.112	89.913			
18	.322	1.039	90.951			
19	.317	1.023	91.974			
20	.291	.938	92.912			
21	.268	.865	93.777			
22	.258	.832	94.609			
23	.248	.801	95.409			
24	.237	.766	96.175			
25	.218	.704	96.879			
26	.199	.643	97.523			
27	.181	.585	98.107			
28	.173	.559	98.667			
29	.151	.487	99.153			
30	.140	.450	99.603			
31	.123	.397	100.000			

Extraction Method: Principal Component Analysis.