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Recasting the customer experience in today's omnichannel environment

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Recasting the Customer Experience in Today's Omni-channel Environment[1]

Redefiniendo la experiencia del cliente en el entorno omnicanal

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1. INTRODUCTION

"Today, the average customer may engage with a brand across 10 channels, and look like a different person on each. If the brand cannot reconcile all data points to one human being, how does it deliver a personalized experience?" Irving Fain (Colloquy 2014).

Recent significant advances in technology, including the emergence of new purchase and communication channels such as the Internet, mobile phones, tablets and social media, have opened up a vast new frontier for business research and practice (Pauwels and Neslin, 2015). In an attempt to reshape the way marketers interact and transact with their current and prospective customers and obtain a competitive edge (Venkatesan, Kumar, and Ravishanker 2007), firms have widely integrated these new channels into their daily operations. Decathlon and Zara are good examples of companies that have introduced new communication channels to interact with their customers. Decathlon has designed a mobile application to facilitate contact between people who practice the same sport and Zara has recently achieved a leading position on social networks (e.g. Twitter, Facebook) where customers can interact easily with the company.

In this new reality, omni-channel management, *"the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized"* (Verhoef, Kannan, and Inman 2015, p. 176), has become a key business priority. According to the National Retail Federation's "Retail CIO

EXECUTIVE SUMMARY

Omni-channel marketing refers to the synergetic management of the available channels and customer touchpoints to enhance the customer experience and improve performance. It has become a cornerstone of marketing strategy but putting it into practice is still one of the major challenges that firms face today. In this study, we aim to understand how firms can manage all touchpoints across all channels in an integrated manner to provide a superior customer experience and gain competitive edge. To do so, we identify a number of key issues that firms must consider before they can embrace the changes that their organizations need to recast the customer experience and obtain superior performance. These include adopting a customer-centric approach, unifying all touchpoints across all channels, delivering personalized customer experiences, integrating the available channels, delight customers across channels, redefining the role of the physical store and embracing mobile marketing.

RESUMEN DEL ARTÍCULO

El marketing omnicanal se refiere a la gestión sinérgica de los canales disponibles y de los puntos de contacto con los clientes para mejorar la experiencia del cliente y mejorar el rendimiento. Se ha convertido en una piedra angular de la estrategia de marketing, pero su puesta en práctica sigue siendo uno de los principales retos a los que se enfrentan las empresas hoy en día. En este estudio, nuestro objetivo es entender cómo las empresas pueden gestionar todos los puntos de contacto en todos los canales de una manera integrada para proporcionar una experiencia superior al cliente y aumentar la ventaja competitiva. Para ello, se identifican una serie de cuestiones clave que las empresas deben tener en cuenta antes de que puedan adoptar los cambios que sus organizaciones necesitan para redefinir la experiencia del cliente y obtener un rendimiento superior. Estos incluyen la adopción de un enfoque centrado en el cliente, la unificación de todos los puntos de contacto en todos los canales, la prestación personalizada de experiencias al cliente, la integración de los canales disponibles, el deleite a los clientes en todos los canales, la redefinición del papel de la tienda física y la apuesta por el marketing móvil.

Agenda 2015" report, seventy-six percent of business leaders surveyed placed omni-channel management strategies as a top priority in their agendas for 2015. The academic importance of omni-channel marketing is also supported in Ostrom et al. (2015) where they find that the management of customer relationships across different touchpoints (e.g. purchases and interactions) and channels is rated the third in importance in a list of 80 research priorities in service science.

From a customer perspective, the proliferation of new marketing channels has offered them new opportunities to transact and communicate with the firm (Cao and Li, 2015). As a result, customers increasingly use alternative channels to purchase products and services and to contact the firm for other purposes including requesting information, soliciting technical advice, facilitating feedback about the products and services, and inquiring about a product's use or availability (Neslin et al. 2006). This results in an increase in the number and complexity of customer-firm interactions (Van Bruggen et al. 2010). For example, a customer might start the purchase experience based on the recommendation of a friend, on an online product research, or on an offer by the company. She can then go to a retail store to touch and feel the merchandise. After that, she can make price comparisons on the web and ultimately buy it from the comfort of her home at any time using a tablet or other device. Later, she can go online to learn about the product's features and characteristics and about how best to use it. Finally, she can call the service center to report any unsatisfactory situation with the product or during the buying process. This behavior has become the norm, rather than the exception, in the current business environment. For instance, a study by Oracle shows that more than 75% of consumers use two or more channels to browse for, research and purchase products and services. Importantly, the central role that customers play in the value creation process have led them to become more empowered (Higgins and Scholer, 2009) and demanding throughout the purchase process. As a result, "customers expect (the purchase journey) to be relevant and personalized, to reveal consistent features, offers and experiences based on where they've been, what they want and how they choose to get it" (Oracle 2011). In fact, the same study by Oracle shows that 85 percent of shoppers expect the shopping experience to be consistent and personalized.

From a customer perspective, the proliferation of new marketing channels has offered them new opportunities to transact and communicate with the firm

Despite the introduction of new channels by firms and the importance that customers attach to obtaining a satisfactory and personalized experience through all the interactions in any of the available channels, most companies continue to manage their channels individually and separately. But this might no longer be a good strategy in the current omni-channel environment, where customers demand a seamless experience across the multiple channels they use in their purchase journey. "Customers start their journey anywhere, anytime and from any device. And, when they stop midway, they expect integration: to pick up from where they left off on another device or channel" (Accenture 2014a, p.3). The study just quoted shows that only a third of retailers have operationalized even the basics of multichannel management such as store pickup, cross-channel inventory visibility, and store based fulfillment (Accenture 2014a). Thirty-nine percent of consumers are unlikely or very unlikely to visit a retailer's store if the online store does not provide physical store inventory information. Retailers who struggle to implement omni-channel initiatives online also experience challenges meeting customer expectations in offline channels. Thus, despite massive investments (technology, people, and processes), retailers are struggling to come even close to meeting the omni-channel expectations of their customers. One central question emerges: how can firms manage all touchpoints across all channels in an integrated manner to provide a superior customer experience and gain a competitive edge? This question is at the heart of most businesses in the current omni-channel environment and, in this study, we aim to identify a number of key issues that firms must consider before they can embrace the changes that their organizations need to recast the customer experience and obtain superior performance in this new environment.

The manuscript is organized as follows. In the next section, we review the relevant research in multichannel marketing and identify its contribution to current knowledge and practice. In the third section, we identify a number of recommendations that can help firms recast the customer experience and manage all interactions and touchpoints across channels in an integrated and consistent manner. Finally, we summarize the main takeaways from the study and suggest some avenues for future research.

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2. MULTICHANNEL CUSTOMER MANAGEMENT. STATE OF THE ART

How can firms manage customer interactions and touchpoints across multiple channels seamlessly, consistently, and profitably? As noted in the introduction, this question summarizes well one of the greatest challenges that businesses face today in the current omni-channel environment and the underlying focus of the present research (Verhoef, Kannan, and Inman 2015). In searching for an answer to this question, existing research has started to provide some insights which have mainly revolved around two related research areas that aim to shed some light on (1) the factors that influence and explain customer behavior across channels (drivers of customer channel choice) and (2) the consequences of customer channel choices on performance metrics (consequences of customer channel choices). We now discuss each of these two streams of research in detail.

Drivers of customer channel choice

Why customers behave differently in the presence of multiple channels of interaction is an important research question in the customer management arena (Konus, Verhoef and Neslin, 2008). If a firm understands which channels a customer prefers and the drivers of these preferences, it can provide a more satisfactory and consistent experience to the customer across her preferred channels (Neslin et al., 2006). Studies in this area aim primarily at understanding the drivers of customer channel choice by identifying a number of variables that may explain how and why customers behave differently in the presence of different channels of interaction. Specifically, prior research has identified a number of categories of variables that help explain customer channel behavior, including channel attributes and characteristics, marketing activities, customer channel experience, social effects and customer heterogeneity (in buying behavior as well as in psychographics and demographics) (Gensler, Verhoef, and Böhm 2012; Neslin et al. 2006; Valentini, Montaguty, and Neslin 2011). Below, we explain each of these groups of variables and their influence on channel choice in detail.

Channel attributes: Channel characteristics and attributes are central to explaining customer channel choices and usage. The various channels differ in several factors, including whether they are physical or virtual, their degree of accessibility/convenience and their travel and switching costs (Dholakia et al. 2010). Customer attitudes

toward, and perceptions about, channel attributes are important for understanding customer behavior in the presence of multiple channels of interaction (Neslin et al. 2006). For example, Venkatesan, Kumar, and Ravishanker (2007) show that travel costs and immediate product availability predict the adoption timing of a second and third channel. Montoya-Weiss, Voss, and Grewal (2003) find that website design characteristics influence customers' use of an online channel. The degree of integration of the various channels also appears to be an important driver of customer channel behavior, so higher levels of integration and the transparency of this integration are associated with desirable customer behaviors (Bendoly et al. 2005). Avery et al. (2012) demonstrate that the different attributes and capabilities of channels (the catalog, the store and the Internet) help understand customer decisions to use these channels. In addition, Konus, Verhoef and Neslin (2008) consider customer attitudes and perceptions about channel attributes for improving customer segmentation, and Verhoef, Neslin and Vroomen (2007) demonstrate that these perceptions explain the research shopper phenomenon.

Marketing activities: Prior research shows that the type and amount of marketing expenditures have a powerful influence on customer channel behavior and interactions (Dholakia et al. 2010). Ansari, Mela, and Neslin (2008) find that the number of e-mails and catalogs sent to a customer contributes to explaining customer behavior with respect to channel selection and purchase volume. Thomas and Sullivan (2005) show that the amount of money invested in marketing communications has a strong impact on customer channel choice. Venkatesan, Kumar, and Ravishanker (2007) further demonstrate that the frequency of marketing communications shortens the time that it takes for customers to adopt a second and third channel. More recently, Bilgicer et al., (2015) show that marketing activities (e-mails and catalogs) accelerate the adoption of the Internet and physical channels.

Channel experience: Customer channel experience has also been considered as a central driver of channel choice. Past customer behavior is typically a good predictor of actual and future behavior (Venkatesan and Kumar 2004). Experience leads to learning and habit, which increase the probability of continuing to use the same channels used in the past (Valentini, Montaguti, and Neslin 2011). For example, Melis et al. (2015) show that online shopping experience affects the way customers use and compare channels within and across different

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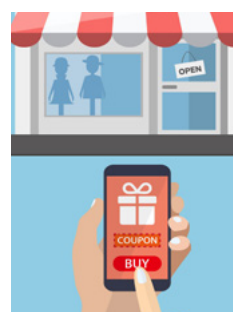
chains. Montoya-Weiss, Voss, and Grewal (2003) show that greater Internet expertise is positively associated with online channel use and Ansari, Mela, and Neslin (2008) demonstrate that gaining experience with channels contributes to explaining customer heterogeneity with respect to customer channel selection and purchase behavior. Valentini, Montaguti, and Neslin (2011) have also shown that there are a significant number of inertial customers, although the effect of inertia, for some customers, becomes less pronounced as they learn from experience about the marketing channels.

Social effects: Customer channel adoption and usage is thought to be affected by the behavior of other individuals. Studies in the diffusion domain emphasize the role of social influence in the adoption of products and services, noting that individual behavior is affected by "exposure to other actors' knowledge, attitude, or behavior" (Van den Bulte and Lilien 2001, p. 1410). This notion has recently been extended to the adoption of marketing channels. Bilgicer et al. (2015) are the first to demonstrate that social contagion plays a major role in the adoption of sales channels. Interestingly, social contagion is not equally effective in the adoption of marketing channels: the adoption of the Internet is more influenced by the behavior of others than the adoption of the brick-and-mortar store.

Customer heterogeneity: Customer differences in (i) buying behavior and (ii) psychographics and demographics have also been related to differences in customer channel choices (Kumar and Venkatesan 2005; Neslin et al. 2006). Venkatesan, Kumar, and Ravishanker (2007) show that prior purchase-related characteristics (e.g. cross-buying, purchase frequency) are good predictors of actual customer channel behavior, while Konus, Verhoef and Neslin (2008) include psychographic variables to explain differences in customer channel utilities. Ansari, Mela, and Neslin (2008) control for individual differences in their migration model by including factors such as age and income and find that older people are less likely to use the Internet channel. In addition, Bilgicer et al. (2015) show that customer demographic characteristics significantly explain the differences observed in the propensity to adopt various channels.

Consequences of customer channel choice

Understanding the consequences of customer behavior with respect to the various channels of interaction available is essential for the management of customer relationships across channels consistently,

effectively and profitably (Thomas and Sullivan, 2005), especially in a context where firms are under increasing pressure to demonstrate the contribution of marketing investments to firm profitability and growth (Kumar and Shah 2009). This theme has been the focus of an increasing number of articles that intend to shed some light on the effects of customer channel choice on different relational, behavioral and financial company outcomes. We can divide this research stream into two broad groups of studies: (i) research that studies the differential impact of single channels on key company outcomes and (ii) research that investigates the company outcomes of using multiple channels versus a single channel to carry out transactions with the firm.

The first group of studies investigates the differential impact on various relational, behavioral and financial outcomes of customers using different single channels to purchase the firm's products and services. The underlying motivation for these studies is that different channels may entail significant differences in human contact, search and switching costs and service level, which will, in turn, affect the company outcomes (Neslin and Shankar 2009). Thomas and Sullivan (2005) report that while brick-and-mortar-only customers tend to show a larger number of purchases than catalog-only and Internet-only customers, catalog-only customers seem to spend more than either of the other groups. Neslin et al. (2006) indicate that channels such as the Internet, ATM and call centers involve little human contact and reduced switching costs, which may lead to missing cross-selling opportunities and lower customer loyalty. With respect to the Internet, findings are mixed. Shankar, Smith, and Rangaswamy (2003) show that loyalty to the service provider is greater when the service is purchased through the Internet than through an offline channel. In contrast, Ansari, Mela, and Neslin (2005) find that Internet usage is associated with less loyal customers in the long run. They further argue that a possible explanation for this result is that online buyers have lower search costs, which results in a higher likelihood of purchasing elsewhere. Overall, existing evidence tends to suggest that the consequences of purchasing in different channels may differ significantly across channels.

The second group of studies focuses on investigating whether there are significant differences in relational, behavioral and financial outcomes between multichannel and single-channel customers. In general, researchers tend to agree that customers who use multiple channels
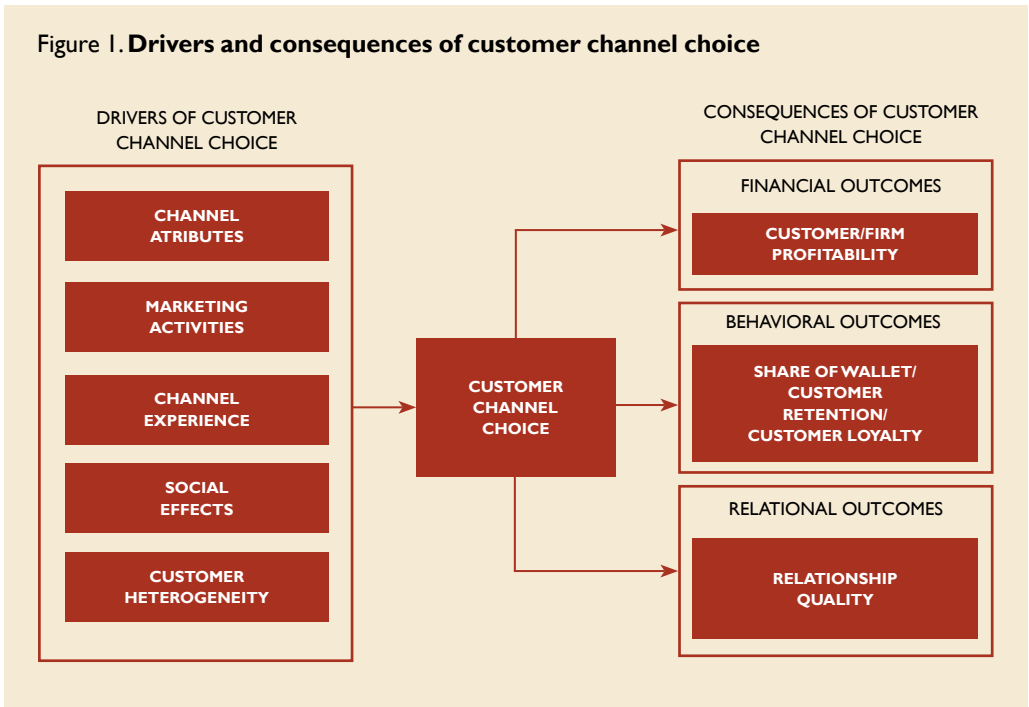
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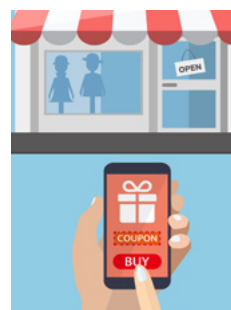
to purchase the firm's products and services are more profitable than single-channel customers (Neslin and Shankar 2009; Kushwaha and Shankar 2008). The conceptual arguments that they provide include (1) the higher number of touchpoints between the customer and the firm, which helps develop deeper customer-firm relationships; (2) the higher number of cross-selling opportunities through multiple contact points; (3) the availability of a greater and deeper mix of service outputs that firms can provide through various channels (e.g. call centers to provide technical support); and (4) that customers' complex needs are more likely to be satisfied with a coordinated multichannel strategy (Wallace, Giese, and Johnson 2004). Empirically, studies tend to confirm this thesis. In a B2B setting, Kumar and Venkatesan (2005) find that customers that buy across a larger number of channels perform better in terms of revenues, share of wallet and customer retention. Kushwaha and Shankar (2008) show that the monetary value of multichannel customers is almost double that of single-channel customers. In a retailing context, Wallace, Giese, and Johnson (2004) show that using multiple channels increases loyalty toward the firm. Bendoly et al. (2005) also conclude that a multiple channel strategy may increase customer retention. Using a longitudinal database and taking into account additional sources of profits, Venkatesan, Kumar, and Ravishanker (2007) offer a rigorous examination of whether profits are higher when customers engage in multichannel shopping. The results provide significant evidence of a positive effect of multichannel shopping on customer profitability. This is in line with Montaguti et al. (2015)'s research, which establishes that the relationship between multichannel and profitability is actionable. A recent study by Kushwaha and Shankar (2013), however, indicates that this positive relationship is not always found as it depends on the types of products purchased. Using consumer data during 4 years for a sample of shoppers from several multiple-category retailers, they find that multichannel customers are only more profitable for hedonic products, but not for utilitarian products, for which single-channel users generate more revenues for the firm.

Figure 1 below offers a graphical representation of the previously discussed drivers and consequences of customer channel choice.

Figure 1. Drivers and consequences of customer channel choice

DRIVERS OF CUSTOMER
CHANNEL CHOICE

CONSEQUENCES OF CUSTOMER
CHANNEL CHOICE

CHANNEL
ATRIBUTES

MARKETING
ACTIVITIES

CHANNEL
EXPERIENCE

SOCIAL
EFFECTS

CUSTOMER
HETEROGENEITY

CUSTOMER
CHANNEL
CHOICE

FINANCIAL OUTCOMES

CUSTOMER/FIRM
PROFITABILITY

BEHAVIORAL OUTCOMES

SHARE OF WALLET/
CUSTOMER
RETENTION/
CUSTOMER LOYALTY

RELATIONAL OUTCOMES

RELATIONSHIP
QUALITY

Overall, the literature suggests that customers vary significantly in their choices of channel and that these differences translate into differences in purchase behavior and profitability. Thus, a proper understanding of the drivers of customer channel choice and of the consequences of these choices on performance is critical for the management of all customer interactions across all channels in an integrated and profitable manner.

In the next section, we identify a number of critical issues that firms should consider before they embrace an omni-channel management strategy to recast the customer experience across all channels.

3. KEY CHALLENGES TO IMPROVE THE CUSTOMER EXPERIENCE IN AN OMNI-CHANNEL ENVIRONMENT

As noted previously, the current omni-channel environment offers firms a number of opportunities to improve customer relationships and enhance profitability. However, it is important for firms to understand the drivers and consequences of a successful omni-channel marketing strategy (as reviewed in the prior section) and address a number of central challenges. These challenges are the following.

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Customer-centric approach: First and foremost, companies need to adopt a customer-centric focus (Shah et al. 2006). It is now well-accepted that what determines the success of business organizations is their customers, not their products or services. Customers are the firm's most important asset (Gupta, Lehmann and Stuart 2004), and they determine what a business sells and whether it will prosper. However, many companies are still focusing on products and their contribution to profits as well as on maximizing the number of purchase transactions of their products. The focus should be on customers and on building, developing and maintaining successful relationships that provide long-term benefits in the form of more purchases, product and service usage, positive word of mouth and product co-creation (Bolton, Lemon, and Verhoef 2004; Dwyer, Shurr, and Oh 1987; Ganesan 1994; Morgan and Hunt 1994). To become truly customer centric implies a change in the culture of the organization and all its members, requiring the firm to have all its functional activities integrated and aligned to deliver superior customer value (Shah et al. 2006). It also means that firms can no longer manage their channels individually and separately, but must manage them in an integrated manner in order to provide customers a seamless and superior experience. Adidas is a good example of a company in which the customer-centric focus guides all activities and operations. This brand allows its customers to design and personalize their own sneakers, offers games to its followers through Instagram and other social networks in exchange for concert tickets, etc. With all these strategies the brand hopes to get closer to its customers and to maintain successful and long-lasting relationships with them.

Unify all touchpoints across all channels: Every single touchpoint between the firm and the customer matters (Neslin and Shankar 2009). Customer-firm interactions represent opportunities to improve the relationship and are critical for building and maintaining successful and profitable relationships (Wiesel, Pauwels and Arts 2011). Thus, they must be managed consistently and satisfactorily. To address this challenge, firms need a complete customer data integration that helps them to obtain a 360-degree view of all their customers and their behavior across all marketing channels (Neslin et al. 2006). This will enable them to know, for example, which channels their customers are using at each step of the purchase journey (from the search phase, through the consideration, the evaluation and the decision making phases to the after sales services phase) (Gensler, Verhoef,

and Böhm 2012). And this knowledge is critical in the implementation of a successful omni-channel management strategy as it provides firms with a proper understanding of customer channel preferences and enables them to use communication channels that match these preferences. At the same time, this information helps firms to identify why some channels are generating more sales for the company and, thus, to offer a profitability analysis of each channel's contribution to firm performance (Li and Kannan 2014).

Deliver personalized customer experiences. The data integration presented before, if properly addressed, will enable firms to deliver a unified and personalized message across all channels to each customer. Marketing has evolved significantly in recent decades and one-to-one marketing, which used to seem difficult to put into practice, has become a reality these days. Coca-Cola and Nutella are good examples of brands that have achieved great success through the customizing of their products, even allowing the customers to include their own names on the labels. Personalization is at the heart of a successful omni-channel customer management strategy. Customers are aware of all the information that they give away to firms about their purchase histories, habits and demographics, and thus demand something in exchange. They want customized communications that understand who they are, know what they like, deliver what they need, and reach them through their preferred channels. But, how can marketers deliver personalized communications and experiences to every single customer at the right time? They need a proper understanding of each customer (the data integration discussed before is of great importance for achieving this objective) and an agile response system that enables them to offer their customers the right products and services through the right channel and at the right time. This marketing activity must be consistent across all channels to maximize consistency and avoid creating customer confusion (imagine a customer receiving an offer of a 15% rebate through direct mail and one of 25% through e-mail). As an example of good practice, Ibercaja Bank offers their customers, through their favorite channels, personalized information about investment funds or pension plans based on their past behavior.

Cross-channel integration: The integration of marketing channels deals with how to combine the available channels to create cross-channel synergies (Cao and Li 2015). Traditionally, most multi-channel companies had silo structures where each channel division
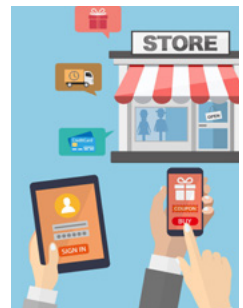
operated independently. However, managing channels in isolation frequently leads to customer confusion (e.g. prices, promotions, assortment, etc. can differ in various channels) and frustration, diluting the value offered to the customer (Herhausen et al. 2015). Firms can improve the customer experience in an omni-channel environment by coordinating and integrating their marketing channels. Integrating channels enables firms to offer customers what they want at each stage of the buying process. Customers can thus gather as much information as they want in a convenient way, reducing their uncertainty in the buying process and exposing them to more marketing stimuli that can further reinforce the relationship and improve sales (Cao and Li 2015). The consequence is an increase in customer satisfaction and loyalty and in greater opportunities to cross sell. For instance, the UK retail giant Marks & Spencer has announced that it will provide free wi-fi at all its UK stores and to lend customers iPads as part of its plans to further integrate its online and bricks-and-mortar sales channels. This decision will enable the company to develop an integrated cross-channel strategy.

Delight your customers across channels: The previous steps can help firms increase their customers' satisfaction, but they must go one step further: they should try to delight their customers. Customer delight refers to "a profoundly positive emotional state generally resulting from having one's expectations exceeded to a surprising degree" (Rust and Oliver 2000; p. 86). Achieving this delight is critical as it not only creates brand loyalty but also brand fans who are willing to interact with the firm to improve its success. As a result, firms must exceed expectations and "delight and surprise" their customers. This can be done, for example, with invitations to special events (such as exclusive demonstrations of the latest products and services), free nights at hotels, free dinners at restaurants and VIP access to events. This is more complex in an omni-channel environment because it involves the use of multiple channels in a consistent manner. For example, a customer might receive an invitation by phone to go to a special event at the store. Once she is there, she may receive a personalized gift (a perfume she loves) and be shown some related products that may interest her and for which an electronic coupon with discounts has been sent to her e-mail address. Unexpected benefits have been shown to be highly valued by customers and to produce positive attitudes such as extremely high satisfaction and increased commitment (De Wulf et al., 2001). In addition, these
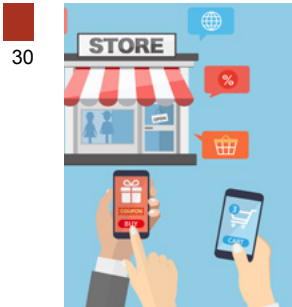
surprises normally generate buzz and contribute to improving the attitudes of other customers (Kumar et al., 2010). LetsBonus and Groupalia usually give their customers discount coupons for the next purchase to try to generate positive customer word-of-mouth on social networks. In addition, Perfumeries IF and El Corte Ingles often give their customers free samples of cosmetic products to enhance the brand experience. Overall, these actions aim to engage customers and produce strong positive reactions that go beyond the purchase of products and services (Van Doorn et al. 2010).

The role of the physical store: Despite the increase in the number of channels from which customers can purchase products and services (e.g. the Internet, catalogs, mobile phones, etc.), it would be premature to talk about the death of the physical channel. So, what is the role of the physical store in the omni-channel environment? Physical stores play a central role in the development of successful customer relationships because they have a number of features that are of great importance to customers in their purchase decision process (Avery et al. 2012). Customers can touch and feel the merchandise before they purchase the products, helping them reduce some of the risk of purchasing through other channels. They can talk face-to-face to salespeople to clarify features and characteristics of the products and to make sure they are taking a good decision. They can also talk to other customers face-to-face and find out about others' real experiences with the product. These features are highly valued by customers. For example, a recent report by Accenture (2014b) shows that 61% of the consumers surveyed strongly value asking a salesperson for product information and recommendations. In addition, the store plays a critical role in the creation of personalized customer experiences. The store and its employees should offer a superior service to customers and, instead of only providing information, they must become engagement creators (Forrester 2014). Some examples of online companies that have introduced a physical channel are Amazon, which opened recently a bookstore in Seattle (USA), ING Direct Bank, which was initially oriented to online operations but has now opened branches to be close to their current and potential customers, and Harper&Neyer, who are also going to open sales outlets in order to receive physical visits from its customers.

Embrace mobile channels: New mobile channels have transformed the business landscape. Some recent figures show that 56% of
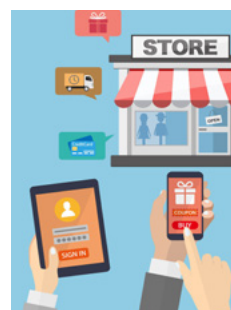
consumers have used their mobile devices to look for products and services in their homes, 38% have used them to check the inventory availability before going to the store, and 34% have used them to find information about products while they are at the store (Accenture 2014b). In addition, a recent study by Deloitte Consulting (Brinker, Lobaugh, and Paul 2012) predicts that 31 billion dollars of retail revenues will be transacted using mobile devices in 2016. Domino's Pizza is one example of firms that actively use the mobile channel to interact with their customers. This company has gone a step further in mobile commerce and has designed an app through which customers can make voice orders. The results obtained have been very satisfactory. They reveal that 40% of the orders are made online and that 50% of these orders are made through mobile devices using this app. Importantly, the increasing introduction of the mobile channel facilitates new customer behaviors, such as showrooming (the practice of examining products and services in the traditional, physical channels and purchasing them through the mobile channel). While at the store, customers can use their mobile devices to find a better deal online and purchase it right away.

Given the prevalent role that mobile devices are playing (and will continue to play), companies must embrace digital channels in their business models. This is important as it presents a new opportunity for companies to offer direct contact with their customers and new sales channels, which may enable manufacturers to increase their market share. However, as noted previously, the introduction of these new channels must be accompanied by a proper management of the customer experience across the multiple available channels. The increasing popularity of the digital channel does not imply that the other channels are losing importance. A truly omni-channel strategy means that firms must deliver consistent experiences, messages, content and processes to their customers across the available channels.

## 4. CONCLUSIONS AND FUTURE LINES OF RESEARCH

In this study, we aimed to further our understanding of omni-channel marketing, which has become a cornerstone of marketing strategy (Verhoef, Kannan, and Inman 2015). Although firms have integrated new channels into their daily operations (mobile phones, tablets and social media) due to recent and significant technological advances, it is still a challenge for managers to develop an omni-channel strategy
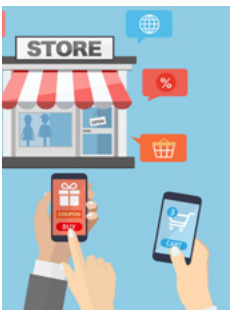
with their customers.

Specifically, this paper has attempted to offer some guidelines about how firms can manage all touchpoints across all channels in an integrated manner to provide a superior customer experience and to gain a competitive edge. We have identified a number of central issues that firms must embrace in order to develop an integrated omni-channel customer experience:

- Firms must become customer centric. The literature has moved from product or brand management to customer management, from product portfolio to customer portfolio, and from a product-centric to a customer-centric approach (Kumar, 2015). In addition, as technology does not cease evolving, it has been possible to increase firms' knowledge of customers and to strengthen their investment in personalized actions by offering products that match consumer needs. Being aware of the importance of a customer-centric approach, companies will be able to develop successful and profitable relationships with their customers.

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- Companies have to unify all touchpoints across all channels. This is one of the most important challenges for companies because some of them continue to manage their customers individually. If firms implement a synergetic management of the numerous available channels and customer touchpoints, the performance across channels will be optimized. To do this, companies have to implement accurate customer data integration so as to coordinate data across all channels. This integration will enable companies to deliver a unified message to each customer.

- It is also crucial to delight customers. Successful and delightful relationships can easily lead to customer engagement and a high level of customer engagement will drive customers to spread positive word-of-mouth about the company, to co-create, to post in blogs, and so on. Customers that become fans are willing to engage in activities that benefit the company.

- Both the traditional physical store and the digital channels play key roles for the development of an omni-channel strategy. Companies, therefore, must understand the importance of coordinating traditional channels (physical stores) with innovative ones. At the physical store, customers still desire to touch and feel the product as well as to receive face-to-face

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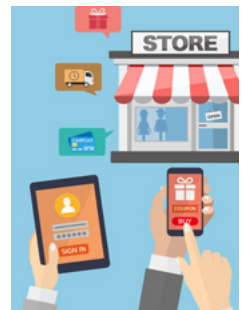
information in order to reduce the risk of the potential purchase. Digital channels are constantly evolving and transforming the business landscape. Firms should also adapt their marketing strategies to new devices that have and important role for users such as mobile phones. As we have already shown, customers start their purchase journey anywhere, anytime and from any device and, when they come back, they expect consistency.

These challenges suppose a useful guide for companies to efficiently develop an omni-channel marketing strategy. However, there are still some important gaps in the literature which indicate new avenues for future research. Verhoef, Kannan, and Inman (2015) highlight that there are now sufficient studies on the effects of multi-channel strategies and additional channels on performance, but more research is required on the effects of the elimination of channels (Konus, Verhoef and Neslin, 2014). Further research is also required about the influence of the use of mobile channels within the store on purchase behavior and on store performance. In addition, companies should develop an integrated omni-channel marketing strategy, studying to what extent shoppers control or are aware of this integration. Finally, one of the issues that most concerns customers is their privacy. As they want to protect their personal data, more research is required into how companies can guarantee customers this protection and the correct use of all their private information across the different channels.
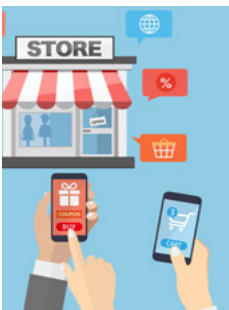
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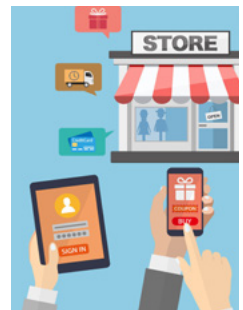
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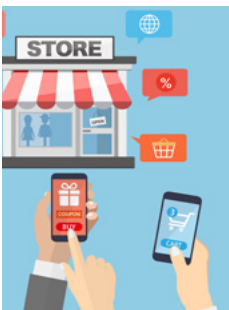
NOTES

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