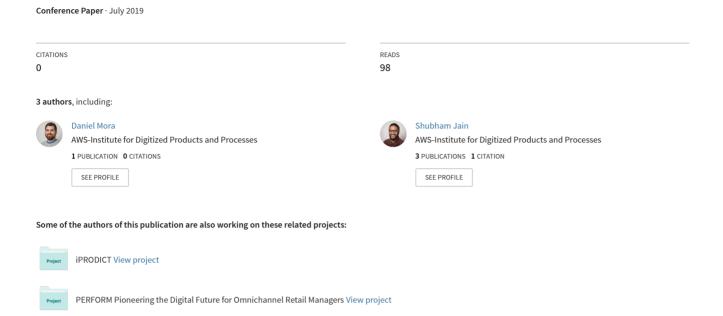
Retail Customer Experience: A comparative study between Physical, Online and Omnichannel Retail.



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Abstract

In the 1990s, many retailers went bankrupt in an attempt to transition from traditional to online retail and currently, retailers are facing the same challenges evolving into the omnichannel model due to lack of tools and knowledge to facilitate the transition. Retail managers need to understand the different dynamics and aspects of customer experience in retail as well as how they differ from previous business models. To address these problems, there is a need to create knowledge which can be done by reviewing the conceptual and theoretical literature around customer experience across all retail models as customer experience is considered as the most important aspect of omnichannel retail. This paper provides a comparative analysis to understand the differences between traditional physical in-store retail, online e-commerce and omnichannel retail to facilitate retailers to comprehend the concepts and further create strategies to transition into the omnichannel retail successfully.

Keywords

Omnichannel Retail, Digital Retail, Customer Experience.

Difference between Traditional Physical, Online and Omnichannel Retail Customer Experience.

The retail industry, as a sector accounted for \$26.29 trillion in sales in 2019 (Statista, 2019) and proliferating, which makes it a significant part of the world economy (Limited, 2018). The industry started with the concept of in-store physical retailing, and eventually, with the development of different technologies like the Internet and World Wide Web, concepts like digital retail came into existence. Digital retail started commerce websites like Amazon in the 1990s (Anderson, 2018) and moved on to multichannel system when the retailers and researchers pointed out the synergies between the online and offline channels of retail (Schoenbachler & Gordon, 2002). While the retail sector saw the birth of e-commerce, there were a lot of retail businesses closing down (Berman, 2019; Rigby, 2011) due to the abrupt growth of online retailers and the need that the retailers felt to transition into online retail without dwelling on the dynamics of the transition and the business model. In the current times, retail is at the verge of transitioning again into the model of omnichannel retail (von Briel, 2018) which right now is more of a buzzword but is defined in different ways by different authors (Lazaris and Vrechopoulos, 2014; Juaneda-Ayensa, Mosquera, & Sierra Murillo, 2016). To facilitate this transition, retail managers and researchers need to have a complete understanding of the concept and how it differs from the previous models of retail. This makes a valid motivation in our understanding to study those differences and motivate researchers to bring out the insights.

Customer experience can be estimated as the single most important factor in omnichannel retail as it follows a customer-driven approach (Carroll & Guzmán, 2013). It needs to be given more attention in terms of research to understand the concept of customer experience in different models of retail and to understand the different constraints attached to it.

Research Ouestion

How can omnichannel retail be differentiated from mono channel-based retail models: online retail and traditional physical retail in the context of customer experience?

Proposed Solution

We propose to answer the developed question by conducting research in the form of analysis and review of literature in the sector of customer experience in traditional physical, online and omnichannel retail and examine those researches to find common grounds for comparison.

Aim

The paper aims to present a comparative analysis of the three different models of retail sector: traditional physical retail, online retail and omnichannel retail towards the context of customer experience. The conducted research will present the differences explicitly in a tabular manner, along with a discussion based on those differences and focusing on future challenges and strategies.

Originality/value

The article adds value to the literature as the three models have not been studied together to be compared explicitly in terms of the constraints attached to customer experience in different environments.

Paper Structure

The following content of the paper is divided into five further sections starting with stating the used methodology followed by the literature and background in the next section. Analyzation will be done in section three, followed by description and discussion. The article will be concluded with the 'Conclusion and Future Work' section as section five and used references will be stated at the end of the article.

Methodology

In the presented article, the methods used for selection of search results merged a protocol-driven methodology in which the search strategy is defined at the beginning of the study with a snowballing technique, where the search strategy emerges as the study unfolds as mentioned in Greenhalgh and Peacock (2005) and, Ravasi and Stigliani (2012).

The search strategy consisted of individual searches as stated in Table 1. The articles were selected and handpicked by reviewing the titles and abstracts and analyzing the relevance to the proposed research. The 'Google Scholar' online database was used to collect the articles. To scope the concepts and different perspectives present in the literature, a combination of the retail model and the term 'customer experience' was used to form usable keywords. The term "Omnichannel Retail Customer Experience" collected 17 articles, while "Online Retail Customer Experience" brought 35 articles, making an initial set of 52 articles.

In the case of traditional physical retail, a number of searches had to be done to collect relevant articles. As the term "traditional" is vague in the scientific literature, we used different synonyms to the concept that had to be analyzed. A search session with three different combinations of keywords: "Physical Retail customer experience", "In-store customer Experience" and "Brick and Mortar Retail customer experience" contributed to the literature set with 21 articles, extending the set to 73 articles.

Following the references and citations of the collected articles, we collected a sum of 14 other articles collectively reaching out to all the three models. Hence, the final collection was 87 articles.

Search terms	"Omnichannel Retail Customer Experience"	"Online Retail Customer Experience"	"Physical Retail Customer Experience"	"In-Store Retail Customer Experience"	"Brick and Mortar Retail Customer Experience"
Results	6,400	553,000	520,000	526,000	33,500
Initial collection	17	35	21		
Final collection	73+14 = 87				

Table 1: Search and collection of research articles.

Note: Source: Google Scholar (http://scholar.google.de/) on January 2019; advanced search options: "[Search Terms]" and including citations.

The research strategy and article presentation are based and inspired on the structure followed in Verhoef, Kannan, and Inman (2015) and Mirsch, Lehrer, and Jung (2016) where the articles are collected to review the present literature and analyzed to form a tabular representation of different comparative concepts. The articles were studied focusing more on defining and analyzing of the concepts retail customer experience and less on the individual pros and cons of the studies. These articles were analyzed, clustered and coded to propose an explicit table, followed by a discussion.

Literature and Background

Research and development in retail have been going on since long to optimize the industry. Different authors have used different terminologies, taxonomies and different criterions to develop models to help retailers and researchers to understand the domain better and take the businesses forward such as Newman and Foxall (2003) established the behavioral perspective model and new innovative methodology to optimize store performance. Healy, Beverland, Oppewal, and Sands (2007) defends the use of ethnography for researchers to understand the customer within the holistic context. In our understanding, understanding the customer and working on holistic customer experience is one of the major constraints in retail that needs to be optimized, and the most important constraint for the future of retail (Verhoef, Kannan, & Inman, 2015). Petermans, Janssens, and Van Cleempoel (2012) provides insights into different aspects of theoretical conceptualization of customer experience. Wang and Hsiao (2012) also provided a theoretical foundation for in-store shopping and examine different impacts on the consumer flow experience (concentration, control, and enjoyment) and subsequent future shopping intentions. Sachdeva and Goel (2015) points out that it is essential to focus on engaging the customer both emotionally and behaviorally, and Russo Spena, Caridà, Colurcio, and Melia (2012) argues that temporary shops provide a locus of value cocreation in which the interactive and experiential relationship between the firm and the customer is engaged, and value co-creation emerges.

Other individual constraints that affect the customer experience has been studied like Wall and Berry (2007) presented the combined effects of the constraints like physical environment and employee behavior on customer perception while Morrison, Gan, Dubelaar, and Oppewal (2011) studied music volume and aroma in retail stores which are a part of the physical environment. Background music has also been studied by Garlin and Owen (2006). Andreu, Bigné, Chumpitaz, and Swaen (2006) examined customer's emotions, satisfaction and behavioral intentions in a shopping setting. Benhamza Nsairi (2012), along with testing the effect of situational factors (store atmosphere, accompanying, motivation, mood and time of visit) on browsing's perceived value, also contributed to identifying value's sources which lead to browser's satisfaction and loyalty. Sherman, Mathur, and Smith (1997) also studied the effect of store environment on consumer emotions and the resulting influence on aspects of consumer behavior. Rapp, Baker, Bachrach, Ogilvie, and Beitelspacher (2015) suggests that the adverse effects of showrooming can be combated through specific salesperson behaviors and strategies. They also point out a negative relationship between perceived showrooming behaviors and performance. Thomas (2013) validated the measurement model of customer satisfaction and studied its impact on customer loyalty. Bustamante and Rubio (2017) provides evidence that a formative third-order scale with a reflective second-order dimension (social experience) and three reflective first-order dimensions (cognitive, affective, and physical experience) has satisfactory psychometric properties. Burke (2002) investigated 128 different aspects of the shopping experience in physical and virtual stores and concluded statements like an optimal implementation of technologies could improve customer experience, like RFID (Melià-Segui et al., 2013; Bodhani, 2012).

There are studies that have been made to facilitate researchers in specific, like Applebaum (1951) shows how customer behavior studies can be made in retail stores. Bustamante and Rubio (2017) provides useful information on the effect of the ISCX (in-store customer experience) scale on key performance variables such as satisfaction and loyalty to the store.

Traditional physical in-store retail has been compared to online retail, and this comparison has been studied in different ways. Enders and Jelassi (2000) discusses the advantages and disadvantages of traditional store-based and online retailing. Rajamma,

Paswan, and Ganesh (2007) suggests that services are more likely to be associated with the online shopping mode, whereas more tangible products are likely to be associated with bricks and mortar stores.

The authors that worked on customer experience in the context of online retail pointed out some other constraints that could affect customer reaction and perception like Hausman and Siekpe (2009) talks about the visual dynamics of online retail and discussed the effect of web pages on customer experience in online retail. Hernández, Jiménez, and Martin (2010) worked along with the technology acceptance model (TAM) and provided significant insights for the effect of perception of customers on the e-commerce experience and Çelik (2011) tried to find the impact on PU (perceived usefulness), PEOU (perceived ease of use) and BI (behavioral intentions) in online customer experience. (Morgan-Thomas and Veloutsou (2013)) demonstrates that trust and perceived usefulness positively affect online brand experience. Grewal, Levy, and Kumar (2009) provides seven articles that contribute to customer experience: promotion, pricing, merchandise and brand, supply chain, location, retail metrics, and customer behavior. Insley and Nunan (2014) point out the importance of including game elements to enhance the retail experience. Chang and Chen (2008) proposed an integrating conceptual framework focusing on the relationships among customer interface quality, satisfaction, switching costs, and e-loyalty.

Rose, Clark, Samouel, and Hair (2012) describes online customer experience (OCE) to be "a psychological state manifested as a subjective response to the e-retailer's website" and Martin, Mortimer, and Andrews (2015) proposed an extended model of OCE. Rose, Hair, and Clark (2011) also add to the understanding of OCE in the purchase context. (Hsu, 2008) provides an evolved ACSI (American Customer Satisfaction Index) mode: E-CSI (Trust, E-SQ (service quality) and Perceived Value). In (Pentina, Amialchuk, & Taylor, 2011), a new type of online shopping experience (interactive/engagement) was identified. Online service quality and trust have also been studied in (Herington & Weaven, 2007; Nusair & Kandampully, 2008; Janda, Trocchia, & Gwinner, 2002), though Herington & Weaven (2007) proposes different conclusions as to Hsu (2008).

Ofir & Simonson (2007) studies effects of stating expectations on customer satisfaction and shopping experience and O. Pappas, G. Pateli, N. Giannakos, and Chrissikopoulos (2014) studied prior experience in retail and related it with expectancy and intention to purchase. Bagdare and Jain (2013) conceptualizes retail customer experience as a reliable and valid multidimensional construct, explained in four dimensions: leisure, joy, distinctive and mood. Gilmore and Pine (2002) and Bridges and Florsheim (2008) discussed customer experience from a more progressive point of view to provide customers a more hedonic and social experience to keep up with the current scenario. Trevinal and Stenger (2014) defines online shopping experience (OSE) through four core dimensions: the physical, ideological, pragmatic and social dimension. Philipp Klaus (2013) identifies functionality and psychological factors as the two main dimensions of online customer service experience. Liu, He, Gao, and Xie (2008) suggests that eight constructs – information quality, web site design, merchandise attributes, transaction capability, security/privacy, payment, delivery, and customer service are strongly predictive of online shopping customer satisfaction, while the effect of response time is not significant. Kim (2005) defines e-customer satisfaction and develops an index using a weighted sum model. Customer loyalty in online retail is studied by Bilgihan (2016). Chen and Chang (2003) identifies three common online shopping components: interactivity, transaction, and fulfillment.

There are certain strategies researchers and retailers can follow to study and work with these aspects like Petre, Minocha, and Roberts (2006) developed an empirically-grounded evaluation instrument: E-SEQUAL. Nambisan and Watt (2011) proposed a four-dimensional construct – online community experience (OCE) examined its impact on customer attitudes

regarding the product, the company, and the quality of service. Novak, Hoffman, and Yung (2000) developed a structural model that embodies the components of what makes for a compelling online experience. Richardson (2010) talks about how to use customer journey maps to improve and asses customer experience using a four-fold Framework. Phil Klaus and Nguyen (2013) highlights current and future roles of online channels, social media and their strategic implications for the retail banking services sector, and subsequent segmentation practices. Rowley (2009) discusses online branding that could be useful for retailers to work on.

Other factors like impact of service system design and flow experience on customer satisfaction (Xin Ding, Hu, Verma, & Wardell, 2010) and relationship between a customer's experience of product returns, subsequent shopping behavior (Griffis, Rao, Goldsby, & Niranjan, 2012) have been studied in the context of online customer experience.

As the sector is transitioning into omnichannel retail, which is still a developing concept, researchers are putting up articles to make retailers understand the future of retail. The concept of omnichannel customer experience differs from both online and physical retail in a way that it integrates both the channels. Bell, Gallino, and Moreno (2014) developed a customer-focused framework based on product delivery and fulfillment, creating a matrix of 4 quadrants where all retail models can be put. Frazer and Stiehler (2014) expanded the body of knowledge of omnichannel retail customer experience, talking about the "Shopper experience" and the omnichannel experience.

There is enough evidence to make sure that omnichannel concept works like in (Sopadjieva, Dholakia, & Benjamin, 2017), authors presented a study of 46,000 shoppers and argued that customers like to use multiple channels and the system is more efficient and every customer is more valuable in an omnichannel or multichannel system. (Carroll & Guzmán, 2013) is a report by Accenture where they go over the concept of omnichannel retail strategies and understanding for communication service providers. They discuss the funnel system, and about the customer-driven cyclic methodology. (Hansen & Sia, 2015) mentions key lessons Hummer, a European sports fashion company learned from the transition into an omnichannel business. Their total sales increased from \$170 million in 2010 to \$240 million in 2013. They mentioned the roles of Chief Executive Officer (CEO), Chief Information Officer (CIO), Chief Digitization Officer (CDO) along with the extent of change requires and the need to embrace industry partners.

Cook (2014) discuss the omnichannel customer and its attributes and mentions the dynamics of the change to the omnichannel environment that needs to be understood. The paper also mentions the role of physical stores in retail and how it will change in the coming future. Parise, Guinan, and Kafka (2016) mention the "crisis of immediacy" where customers want immediate services in omnichannel retailing and suggested solutions to improve customer experience in the context of immersion, flow, cognitive fit and emotional fit. Von Briel (2018) presents a four-stage Delphi study concluding major challenges, trends, technologies, and customer touchpoints. Bennett and El Azhari (2015) discusses omnichannel customer experience and analyze the in-store shopping experience and the impact of different digital technologies and other changes in the store.

Different authors tried to publish on customer experience in the context of omnichannel retailing such as Juaneda-Ayensa, Mosquera, and Sierra Murillo (2016) worked on different constraints that could affect the purchase intention of customers namely: Habit, Hedonic influence, social influence, effort expectancy and performance expectancy. They also provide different constraints on which different models of retail can be compared while comparing multichannel and omnichannel systems. Lazaris and Vrechopoulos (2014) also provides a literature review for the comparison between multichannel to omnichannel retail and the transition. They propose an elongated multidisciplinary research agenda for logical outcomes

in the domain while Picot-Coupey, Huré, and Piveteau (2016) sheds light on the concept of multi, cross and omnichannel retail and talks about the challenges retailers face and the solutions to overcome them and to provide a good customer experience. Verhoef, Kannan, and Inman (2015) provides literature for multichannel retail and compares it with omnichannel. They study the literature in three different contexts: (1) Impact of channels on performance, (2) Shopper behavior across channels and (3) Retail mix across channels.

Peltola, Vainio, and Nieminen (2015) argues that providing a good omnichannel experience has two key factors: (1) Reducing the risk of losing the customer during customer journey by providing a unified and integrated services and customer experience and (2) Encouraging the customer to proceed in the customer journey with the company by providing seamless and intuitive transitions across channels in each touch-point to match customer preferences, needs, and behavior. Brynjolfsson, Hu, and Rahman (2013) provides seven different strategies to compete in the omnichannel system and to enrich and deliver customer experience. Krueger (2015) stipulates a brief report on the omnichannel transition and to understand consumer behavior. Piotrowicz and Cuthbertson (2014) mentioned another seven different themes to be studied in the omnichannel system.

To sum up, within the scope of our research, traditional retail can be understood as a mono-channel physical store-based retail system. Considering traditional retail before the arrival of online-based retailers in the 90s (Anderson, 2018), traditional brick and mortar stores follows a company-centric and product-centric approach (Kotler and Armstrong, 2010) to sell the right products to the customers optimizing three main sectors: What to produce? Where to sell? And, how to cover a broader market. As there is no specific definition for "traditional retail", the term is changeably used with physical store retail with no to a minimal use of technology and customer preferences.

Similarly, online retail can be understood as a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. In online retail, consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. Customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, and smartphones.

Omnichannel retail refers to the integration of retail channels like stores, online, and mobile into a single, seamless customer experience. The term started to get popularity after 2011, when Rigby (2011) presented the future of shopping.

In the current scenario, mono-channel retailers are trying to expand by introducing different channels into the architecture of their business models to form an omnichannel experience (Piotrowicz & Cuthbertson, 2014). Omnichannel systems are customer-centric systems providing the right touch points for the right services (Lemon & Verhoef, 2016).

Wiener, Hoßbach, and Saunders (2018) discuss the different synergies and tensions that arise when online and offline channels co-exist in an industry although it specifically talks about those attributes in publishing and retailing industries. As omnichannel approach of retail offers an efficient integration of all the channels present in the system, we can expect that it aims to contain the advantages of every individual channel along with providing the customer the option to switch between channels/touch points and helping them to get over the disadvantages present in the channel/touch point they switched from.

Analyzation

The analysis of the collected literature to compare and synthesize the three different retail models were done by reading and critically analyzing the core concepts of customer

experience mentioned in each paper. To keep the process structural, a list was made to summarize every article and different criterions and constraints of customer experience mentioned in the articles with a brief explanation of how those constraints relate to customer experience. The next step was to cluster down the different aspects that were found in the literature.

To cluster down the different factors that appeared during the analysis, we used the clusters used in (Willems, Smolders, Brengman, Luyten, & Schöning, 2017) as the criterions can be perfectly summed up in these three clusters. In combination of knowledge and dynamics of these clusters, the Affinity Diagram method was used to further validate the clusters. The results obtained from the process could easily be translated into the formation of these groups:

- 1. Product Level
- 2. Customer Level
- 3. Retail Level.

Described in (Willems, Smolders, Brengman, Luyten, & Schöning, 2017), these clusters deviate a little from the original context in this article. Originally these clusters talk about retail technologies and how they can be deployed on different levels to improve customer experience. While here we morph the context of these clusters to validate them in the present article. The identified constraints or criterions in the literature can be clustered in one of these categories. During the analysis, some constraints were found to be ambiguous due to the relevance of those factors in more than one aspect. The same factors can be studied in myriad of manners.

Product Level: Groups all the factors that affect the customer experience which runs along the customer journey or the purchase path of a product. The product or customer journey is divided into pre, during and post purchase sections in the product life cycle as mentioned by Vandermerwe (2000).

Customer Level: These include the constraints that are mostly customer dependent which includes customer attributes, how does a customer interact with the whole retail environment and how does the individuality and subjective constraints of a customer affect the customer experience. The subcategories are based on the discussions made in the previous section.

Retail Level: Clusters the general attributes of the retail model and how those characteristics and strategies affects customer experience. These are mostly the factors that are driven by retailers that affect the experience of the customer. These also include the attributes of the retail model which develops because of the theoretical concept around the particular retail environment.

Based on the discussion made above and in the previous section, the differences between traditional physical retailing, online retail and omnichannel retail customer experience are summarized in Table 2.

Table 2: Differences between Physical, Online and Omnichannel Retail.

Cluster	Constraints	Physical	Online	Omnichannel	
Product	Pre	Physical stores, catalogs and flyers.	Web pages and social media.	Store and multiple remote digital channels.	
	During	Staff assistance and physical information.	Recommender Systems and digital information.	Physical and online information.	
		Fulfillment in physical stores.	Fulfillment by delivery.	Fulfillment by pickup, in-store or delivery.	
		Access to physical attributes.	Access to only digital attributes.	Optimal attribute-oriented product placement.	
	Post	Complaint desks.	Online and	Multiple touchpoints to facilitate support, feedback and returns.	
		Feedback Forms.	telephone customer		
		Physical Returns.	support.		
			Data collection and reviews.		
			Postal returns.		
Customer	Attributes	Part of the product/ retail driven approach and hence has minimal to no role in shaping the business.	Characterized by the need for efficiency, ease of use.	Knowledgeable, Demanding, Empowered, Collaborative,	
			Mostly driven by cost, speed and quality of service.	Diverse, Interactive.	
				Increasingly on the move.	
	Expectations and perception.	Product-oriented.	Service- oriented.	Experience- oriented.	
	Interaction	Single physical channel interaction based.	Single channel interaction: online.	Multiple channels: integrated interaction.	
	Technology acceptance	Doesn't play a role in physical retail.	Internet. TAM	Different technologies.	

Retail	Customer journey	Funnel	Funnel	Cyclic
	Services and information consistency	Working hours.	24 hours of information.	24 hours of information and delivery.
	Role of physical facilities	The only touch point.	Warehousing and administration.	Transformed to facilitate research, pleasure, etc.
	Staff characteristics	Interactive and decision making.	Facilitates support.	More technical and interactive.
	Marketing	Physical and social mouth to mouth.	Social media and service.	Experience stores, along with digital and physical mediums.
	Management	CEO	CEO & CIO	CEO, CIO and CDO
	Distributions and supply chain	Warehouse to shelves.	Warehouse to customers.	Flexible and dynamic.
	Layout and	Physical	Digital	Integrated
	infrastructure	No third parties.	Third parties usually for payment.	Multiple third parties.
	Customer experience value	Hedonic: Store aesthetics and store environment.	Hedonic: Web page interface.	Hedonic: Making the customer journey enjoyable.
		Utilitarian: Product value	Utilitarian: Fast and lower-price oriented service.	Utilitarian: Shopping assistance
	Social / Community	Human physical interaction.	Online communities, social media.	Communities based on different touch points.

Description and Discussion

Product Level

The three different retail models differ on the product level extensively. This cluster of differences is based on the buying behavior stages from (Kalakota & Whinston, 1996), the customer-activity cycle (Vandermerwe, 2000), and customer delivery value chain as stated by Kalyanaram and Aung (2015). These also include all the dynamic of the interaction with the product which is the soul of the retail industry. 'Pre' means the information collection before the actual shopping process. These can include product research, need analysis, and identification. While 'During' means the shopping process in a store or a digital channel which can be identification, assessing options and payment. 'Post' includes the feedback, returns (Griffis, Rao, Goldsby, & Niranjan, 2012), and reviews. The pre-purchase phase in physical retail is more towards community (Bustamante & Rubio, 2017) and physical mediums like flyers (Wiener, Hoßbach, & Saunders, 2018), direct mails and catalogs. In online retail, digital is the only medium; thus information for products are only prompted through digital interfaces (Nambisan & Watt, 2011), and communication channels like e-mail, cellphones, etc. During purchase, the physical retail assistance and decision making rely on staff (Healy, Beverland, Oppewal, & Sands, 2007) and physical information on products. Likewise, online retail uses reviews, recommender system, and products description. Under the same circumstances, omnichannel integrates all the channels allowing customers to fulfill their necessities in both channels (in-store and delivery) and matching them based on preferences such as click and collect. In brick and mortar, post-purchase is done through physical mediums. Besides, in the online setting, the post-purchase is done by assistance on phone or online support. In the omnichannel retail system, there are multiple touchpoints which facilitate customers in terms of support and returns, both in physical and digital settings. Product fulfilment in physical and online retail is done in stores and by delivery respectively while as stated above, an omnichannel customer can choose either of them or other services like click and collect for product fulfilment. Bell, Gallino, and Moreno (2014) described this relationship of product information and delivery, which also mentions the difference of data gathered by the customer during the shopping process based on product attributes i.e., digital channels of retail impose uncertainty about non-digital attributes for the customer.

Customer Level

Customers perspectives can differ in different retail settings. Customer experience is studied with varying terminologies by different authors like experience, satisfaction, perceived value, etc. Different attributes define a consumer in different retail settings. As Carroll and Guzmán (2013) stated as future of omnichannel systems, due to the presence of a plethora of information at the fingertips of every user, a progressive customer is more aware. The futuristic customer is more driven by service quality and experience instead. Perception and expectations of a customer is an essential part of the ACSI model used to asses customer satisfaction in retail settings. The traditional ACSI model uses 'Expectations', 'Perceived value' and 'Perceived quality' where the approach is more product and staff-oriented while in online retail, as described in the e-CSI model (Hsu, 2008), service quality and trust, plays a major role in determining the satisfaction. As omnichannel retail concept is centered around customer experience, the expectations and perceptions of an omnichannel system will surround the experience factor focusing majorly on the hedonic and holistic value of the service provided by the retailer. The Interaction between the retail system and the customer which is basically the channel difference between the retail models is the most explicit difference among others, as physical retail system uses only single channel, which is the physical medium, while online retail system uses internet as the only channel. Omnichannel retail system deploys an integrated customer journey which is characterized by touch points and includes multiple channels of interaction between the retailer and the customer. Also, technology acceptance has a different role in the three models in a way that traditional in-store retail involves no use of technology, hence it cannot affect the customer experience while in online retail, a customer's perception on internet and usability of the web pages plays an important role. Technologies are an integral part of omnichannel retail, hence customer's perception over those different technologies could affect over their holistic customer experience.

Retail Level

In the last decades, different retail models have led the retail sector to have different roles concerning the way they address the business needs. These can vary from enhancing customers and staff needs to the way they use their infrastructure.

Traditionally, retailers have understood the shopping journey as a linear path, which followed the classic funnel approach from marketing, this has changed with the arrival of omnichannel which interprets that buyers "continuously cycle through the stages of the journey, without ever exiting the evaluation process" (Carroll & Guzmán, 2013). Other than that, physical stores conventionally had limitations offering services to consumers for more than 8 hours a day and one of the advantages that online retailers have taken to disrupt the market is offering shopping services 24 hours a day, allowing their customers to have more flexibility that led even loyal customers of physical stores to switch, as stated by Enders and Jelassi (2000). Omnichannel retail also follows the same concept of continuity of information and services. These primary differences also led managers to adopt different marketing strategies for their businesses. Marketing in physical retail is more product oriented and as mentioned in pre-purchase section of the product level cluster, is based on social trend and physical flyers, etc. While online retail marketing is hugely based on digital mediums like social media (Phil Klaus & Nguyen, 2013) and service. Omnichannel retail is based on marketing the experience of shopping and providing the customers with a holistic experience.

In contemplation of management perspectives, physical stores have relied on the conventional role of the chief executive officer (CEO), to direct the company's strategies. In online, businesses have had to include the role of the chief informatic officer (CIO) in addition to the CEO to support the retail goals related to information technology. Taking into consideration that the CIO needs to evolve having more information technology (IT) capacities, omnichannel retail needs to integrate a chief digital officer (CDO) in charge of the digital department (Hansen & Sia, 2015).

Management must also take care of the transitioning role of staff in the hours of customer service changes depending on the model they follow. In traditional physical stores, employees tend to be a means of social interaction and support when making decisions related to purchases (Healy, Beverland, Oppewal, & Sands, 2007), and the staff of the online stores is based on giving support to the customer. In contrast, the role of omnichannel staff is more technical and is towards technological assistance (Cook, 2014). The staff also allows customers to experience a better shopping experience in different channels by providing utilitarian and hedonic support.

In the context of physical facilities, brick and mortar stores are the point where consumers can go, analyze the available products, interact with staff, make their purchases and go if they need to return any product, making the store as a single point of contact with customers. While in online retail, the physical facilities are used as warehousing and operations center. In omnichannel retail, these facilities are transformed to facilitate research of products and a center of pleasure for customers, etc. (Juaneda-Ayensa, Mosquera, & Sierra Murillo, 2016). Regarding the use of these facilities for distribution and supply chain frameworks, brick and mortar stores are more focused to maneuver large volumes of products from warehouses to the store racks. On the other hand, the online retailer is selling over the web, this demands

an entirely different framework which is capable of delivering consumers' goods to their preferred locations, as claimed by the authors in (Enders and Jelassi, 2000). More recently, omnichannel retail has evolved to use the stores as points of distribution too (Cook, 2014).

The physical stores traditionally have been designed for product visibility, which means the store layout design is product-oriented and stores for economic reasons "typically adopt a standardized approach to interior layouts and format designs" (Newman & Foxall, 2003). On the other hand, the design of the website for online retailers is more customer-oriented (Petre, Minocha, & Roberts, 2006). In omnichannel retail, the design of the channels needs to be customer experience oriented both in online and physical channels which can be achieved by strategies like hiring a third-party company to create hedonic or utilitarian value to the customer journey. Brynjolfsson, Hu, and Rahman (2013) describes that "in some cases, the location-based applications aren't managed by the retailers but by third parties. For instance, RedLaser, an eBay company, allows consumers to scan UPC codes to determine whether specific products are available nearby and at what price". Third parties have almost no involvement in traditional retail, while online retailers can use third parties like PayPal to ease out payments, etc.

Although stores are product-oriented in traditional retail, stores are also a space that can add hedonic value to the customer experience by stimulating the customer esthetically and influencing the purchase intentions of the customers positively (Russo Spena, Caridà, Colurcio, & Melia, 2012). Store environment needs to have pleasing interiors for the customer (Petermans, Janssens, & Van Cleempoel, 2012). In contrast, online retailers provides hedonic value through the website interface, focusing and elaborating on the relationships among customer interface quality and satisfaction (Chang & Chen, 2008). In (Hausman & Siekpe, 2009), the authors suggested strategies to optimize web design to provide a better experience to customers. In omnichannel retail, making the customer journey enjoyable is the primary strategy for hedonic value. Also, as a part of customer experience, utilitarian experience value in physical retail is affected by products and how customers perceive them during the actual purchase. While online customer perception is more service-oriented, it offers faster purchasing and lower-price (Rajamma, Paswan, & Ganesh, 2007). This is due to the deficiency of physical contact with products and staff, and the time gap between delivery and arrival of the shopping products. This utilitarian value has been evolved in the recent past to be shopping experienceoriented for the customer in omnichannel retail.

In (Bustamante & Rubio, 2017), the authors discuss different dimensions of in-store customer experience and conclude "physical retail service environment offer an extraordinary opportunity for human interaction" on the grounds that "a variety of customers enjoy themselves when they socialize with others (shoppers or employees) when they visit the store, essentially seeking the opportunity to socialize outside the monotony of their everyday lives", which suggest that social experience in-stores provides a great significance in determining the psychometrics properties of satisfaction. The online retailers consider online communities as a medium for the customer to socialize between each other and interact with the vendor representatives (Nambisan & Watt, 2011). The online community experience "can play a crucial role in shaping customers' perceptions regarding the product, the company, as well as the service quality". Regarding social media, Phil Klaus and Nguyen (2013) stated that retailers can use it to gain customer insights, which could help them to provide a better customer experience. Creating the omnichannel communities, as mentioned by Hansen and Sia (2015) creates new challenges for the retailers since all the campaigns need to be coordinated in the different channels available based on the customer experience expectations.

Challenges

The most common consequences of the retail system are described in the ACSI model as customer loyalty and customer complaints. Customer loyalty has been defined as a "deeply

held commitment to re-buy or re-patronize a preferred product/service consistently in the future" (Oliver, 1999) while a "complaint can be defined as a conflict between the customer and the organization" (Oliver, 1999). Retailers need to manage these issues and figure out how to develop trust among users in the business which could be associated with several factors in retail.

As the omnichannel system is surrounded around customer experience, retailers need to study their customers to provide tailored services. The literature suggests that the concept of tailored services imposes another problem of personalization vs. privacy. With the introduction of different privacy laws, retailers need to find a balance between personalization and compromising the privacy of the user, which could be subjective. These subjective constraints in retail could be handled by clustering the customers based on different criterions. Though, with all these advanced strategies and technological development, it imposes another problem of a raised customer expectation. An omnichannel customer starting the purchase journey with a lot of expectations could be affected at his satisfaction level.

The literature points out several factors that affect customer experience: Physical environment, social, cognitive, emotional, etc. These factors could contain a lot of complexity which retailers need to tackle by optimizing these aspects of customer experience to sustain their businesses. The differences pointed out in the above section could be interpreted as challenges which needs to be strategized, for example transitioning the role of physical facilities/space, administration strategies, staff characteristics, etc. needs to be transformed to form a relevant omnichannel business. Implementation of technologies has proved to be beneficial in businesses, though deployment and assessing the acceptance of them can pose as a big challenge for retail managers as the deployment should be optimal in terms of finances and value to contribute to businesses. The differences can be interpreted as the theoretical explanation of what retailers can aim for in terms of results of strategies, and work on each of them to have a perfect omnichannel system. Omnichannel retail promises a seamlessly integrated customer experience, and this integration is both of a challenge, and a blessing to business owners as proper execution of these strategies to convert into an omnichannel environment can lead businesses to profit higher.

Conclusions and Future Work

In the article, three different retail models that are based in different eras of history have been studied in the context of customer experience. It was established between the review that the modern era of retail is centered around customer experience, and it is an essential part of the retail transition. The findings in the article answers the proposed research question: "How can omnichannel retail be differentiated from mono channel-based retail models: online retail and traditional physical retail in the context of customer experience?" by presenting a definitive and explicit comparison between the retail models in terms of how the constraints work in context to customer experience. As stated in the literature section, there have been a lot of authors publishing about customer experience and different models and terminologies have been used to define various aspects of customer experience. Omnichannel retail is the buzzword in current times and most anticipated future of the retail sector. The literature suggests that there is a plethora of challenges in front of retailers to understand the dynamics of the transition that is happening before them. In the article, we tried to solve the problem by explicitly pointing out the differences between traditional physical retailing, online retailing and omnichannel retailing. The differences can be studied in the form of 3 clusters: Product level, Customer level, and Retail level. Each cluster deals with a different set of constraints that are attached to customer experience. Sometimes these constraints can be ambiguous as physical and omnichannel being on the extreme ends of the retail timeline cannot be directly compared

in some ways. The differences pointed out in the article extends the contemporary literature and facilities the understanding of the different dynamics to asses retail sector. This understanding and differences can facilitate retail managers to understand better the steps they need to take to move to omnichannel retail.

In the article, the impact of retail transition was briefly discussed as consequences and challenges of the model. Taking into account this literature, retail managers can save their businesses from a fall back in the age of change by keeping up with the trends in the sector and bending their ways to create efficient firms. Though the article discusses only the factors which contribute to customer experience, which could fall as a limitation of this research. Some aspects like marketing and operations, can be addressed further, which we propose as a part of the future research agenda. Also, the study of other factors than customer experience like business models (value creation, value architecture, value finance, value network) can be done to extend the literature further. The constraints discussed in the paper can also be studied further for more descriptive and deep explanations. Technology implementation and providing a seamless experience to customers is the goal of retailers, and we motivate researchers to contribute both research and development in the field to take the sector forward as a whole.

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