E-COMMERCE INNOVATION: A LITERATURE REVIEW ON THE INFLUENCE OF OMNI-CHANNEL RETAILING ON CONSUMER SHOPPING BEHAVIOR

ISAAC ACHEAMPONG

Department Marketing, Accra Technical University Ghana
Email: ikeygh@yahoo.com

Abstract: A comprehensive review of the existing literature on Omni channel retail innovation has shown that not much has been studied on the influence on the mobile channels on reshaping consumer's shopping behaviour in the e-commerce industry. The addition of mobile channels such as Mobile phones, Tablets and Apps have not been highlighted in terms of their impact in changing the consumer shopping behavior. Studies compare Omni channel to Multi channel. Consumers interact with a channel at a time in multichannel and interact simultaneously with various channels in Omni channel retailing. However, specifically how the simultaneous interaction with various mobile channels reshape consumer shopping behaviour in e-commerce has not been brought to the fore clearly.Knowledge of the extent to which mobile channels influence consumers shopping behavioral patterns will help managers to know how to manage each channel and eventually how to meld them in providing the seamless consumer shopping experience.

Keywords: Omni Channel, Mobile Channels, Consumer Shopping Behaviour And Webrooming.

I. INTRODUCTION

Various literature suggest that Omni channel is the new phenomenon that must be embraced for e-commerce by retailers. There appears to be a consensus on how it is the future of retailing. The evolution of Omni channel Retailing has instigated various studies on it. This has also brought increasing attention on its influence on consumers. Omni channel retailing is thriving on the addition of mobile channels. However, literature on the influence of mobile channels on the shopping behaviour of consumers is not readily available.

The first academic definition (Rigby, 2011) describes omni-channel retailing as an integrated experience that melds the advantages of physical stores with the information-rich e-commerce website. By this definition, omni-channel shoppers differ from traditional shoppers by simultaneous use of various channels, which blurs the barrier between research stage and purchase stage. Since then, Levy et al. (2013) made the second try by defining omni-channel retailing as a coordinated multichannel offering that provides seamless experience with all of the retailer's shopping channels.

According to Brynjolfsson, Hu & Rahman, (2013), the advent of new in-store technologies such as mobile computing, location-based service, connectivity, and augmented reality has pushed the retailing industry to another level of evolution. This is further explained by (Bain, 2012; Nielsen, 2013) that, the rapid speed of technology development and rising adoption of mobile digital devices on a global scale, such as smartphones and tablets, have a profound transforming impact on consumer behavior and retail businesses at large.

Canalys, (2011), added that, another contributing factor is the rising sales and penetration of smartphones and tablets worldwide that enable customers to stay connected to the Internet even outside of their homes or workplaces. Clemons, (2008), posited that online shopping is changing the shopping behavior of consumers.

The practical aspect of these theories was espoused by a Conference Paper by Fanjuan Shi of Université Jean Moulin Lyon in July 2016 which indicated that, leading retailers react quickly to this emerging and notable trend. For instance, large retailer groups such as Carrefour, Decathlon, Macy's and IKEA are testing web technologies in their physical stores. Meanwhile, online retailers like Amazon are considering to expand to offline sector.
However, there is not enough studies to clearly indicate how each particular mobile channel added to the Omni channel retailing reshapes a consumer's shopping behaviour. This points to a research gap that must be filled by researchers.

II. MOBILE DEVICES AND RETAILING

WojciechPiotrowicz et al, (2014) in the Journal of Electronic Commerce puts forward that the introduction of mobile devices has impacted the way retail business occurs these days. In this article, they state that "the changes are driven by new technologies, such as smart mobile devices (smartphones and tablets) and related software (apps, mobile payments, e valets, e-coupons, digital flyers, location-based services etc)".
Dennis Herhausen (2015) adds that "The world of retailing has changed dramatically in the past decade. The advent of the online channel and new additional digital channels such as mobile channels and social

media have changed retail business models, the execution of the retail mix, and shopper behaviour."
Piotrowicz and Cuthbertson, (2014);Verhoef et al., (2015) argue that, to achieve the omni channel retail targets, there is a need for retailers to assess, measure and monitor the Omni-channel experience. They add that, this experience nevertheless is on its early developments and how to capture and optimise the value of an Omni-channel experience is still to be determined and confirmed.

From this literature, retailers need to assess, measure and monitor the Omni-channel experience, this is main challenge this review faces. There has not been a clear model that has been proposed and tested which provides the needed information to capture and optimise the value of an Omni-channel experience.
Brynjolfsson*et al.,* (2013); Frazer &Stiehler, (2014), indicated that, the development of smartphones and tablets are fundamental to the new shopping method, therefore when designing new strategies, retailers have had to take these technologies into consideration. Herhausen*et al.,* (2015), also asserts that, a successfully executed Omni-channel strategy with total integration is likely to greatly affect and enhance a consumer shopping experience, since this is something that consumers emphasize and place great value on.
This assertion by Herhausen*et al.,* (2015) must be tested by measuring how the mobile devices are enhancing consumers shopping experience in terms of their place of purchase, items purchased, time and frequency of purchase, method of purchase, response to sales and promotion devices.

In an article by Verhoef*et al.,* (2015), it was stated that the usage of the Omni-channel retail emerged from the fact that multichannel retail illuminated weaknesses in the manner of doing business. The authors argued, *"…new channels will break down old barriers such as geography and consumer ignorance. Hence, it will become critical for retailers and their supply-chain partners in other industries to rethink their competitive strategies."*
On this argument, there must be a study to find out how new channels (mobile devices) are melding barriers of consumer's geographical location with respect to their shopping behavior patterns? This can be answered by measuring the influence of the mobile devices on place of purchase by consumers and items they purchase.

III. SHOWROOMING AND WEBROOMING

According to (Verhoef, Neslin, and Vroomen 2007), whereas in the multi-channel phase research shopping gained some attention, in the omni-channel phase showrooming is becoming an important issue. Shoppers now frequently search for information in the store and simultaneously search on their mobile device to get more information about offers and may find more attractive prices. The opposite of showrooming also occurs, which is now referred to as webrooming, where shoppers seek information online and buy offline. The growing interest in simultaneous information search both in store and online for better deals poses a challenge which must be looked at since it is changing consumer shopping behaviours.
WojciechPiotrowicz et al, (2014) observed that, not all customers want the same level of interaction with technology. They wrote that, it is especially visible when differences between generations are considered. They added that any technology in-store should extend the customer experience and not be a new barrier for people less familiar with it.
Mobile devices (the technology) may become a barrier to some consumers in Omni-channel Retailing. This is because various generations have different levels of affinity for technology.
Studies must be conducted into determining how the mobile devices influence older generation, whether they are hindrances or reshaping their buying behaviours.

IV. PROPOSED QUESTIONS TO GUIDE FURTHER STUDIES

Neslin et al. (2014), implied that in an omni-channel world, researchers are interested in questions regarding how each customer touch point can affect brand and retail.
In light of the above, it is important to ask various questions to find out how mobile devices are affecting brand and retail which eventually will tell on the shopping behaviour of consumers.
This paper proposes the following questions for further studies:
1. What is the influence of mobile devices on consumer's response to sales promotion devices?
2. What is the influence of mobile devices on consumer's place of purchase?
3. How do mobile devices influence the items purchased by consumers?
4. What is the influence of mobile devices on consumer's time and frequency of purchase?
5. What is the influence of mobile devices on consumer's method of purchase?
6. How do the customer touch points (mobile devices) influence consumer shopping behaviour patterns older generation?

CONCLUSION

Literature on the influence of mobile channels on the shopping behaviour of consumers is not enough as there is not enough studies to clearly indicate how each particular mobile channel added to the Omni channel retailing reshapes a consumer's shopping behaviour The advent of Omni channel has revolutionized the retailing industry. Some

practitioners are making adjustments for this new era whereas other are yet to embrace it. To facilitate the growth of Omni channel retailing, studies must be conducted to determine the actual influence of mobile channels on consumer shopping behaviour.

REFERENCES

[1] Bain, 2012, "Omni-channel retailing: Digital disruption and retailer opportunities." Bain [internet]. Available at:

[2] http://www.bain.com/Images/BAIN_BRIEF_Retail_holiday_newsletter_%232_2012 - 2013NEW.pdf [accessed on 20th February 2013]

[3] Byrne, B.M. (2001), Structural Equation Modeling with AMOS: Basic Concepts, Applications and

[4] Programming, Lawrence Erlbaum Associates, Mahwah, NJ, pp. 78-87.

[5] Brynjolfsson, E., Hu, Y. J., Rahman, M. S. (2013) Competing in the age of omni channel retailing. MIT Sloan Management Review,54(4), 23-29.

[6] Canalys, 2011, "Smart phones overtake client PCs in 2011", Canalys [internet]. Available at: http://www.canalys.com/newsroom/smart-phones-overtake-client-pcs-2011[accessed on 18th April 2013].

[7] Clemons EK. How information changes consumer behavior and how consumer behavior determines corporate strategy. *Journal of Management Information Systems*, 2008, 25(2): 13-40.

[8] Fanjuan Shi, (2016). Omni-Channel Retailing: Knowledge, Challenges and Opportunities Université Jean Moulin Lyon.

[9] Fornell, C., &Larcker, D. (1981), "Evaluating structural equation models with unobservable variables and measurement error", Journal of Marketing Research, Vol. 18 No. 1, pp. 39-50.

[10] Frazer, M. &Stiehler, B. E. (2014). Omnichannel retailing: The merging of the online and offline environment. Global Conference on Business and Financial Proceedings, 9(1), 655- 657.

[11] Hair, J. F., Black, B., Babin, B., Anderson, R. E. and Tatham, R. L. (2010). Multivariate Data Analysis: A Global Perspective. Pearson Education Inc., NJ.

[12] Herhausen, D., Binder, J., Schoegel, M. and Herrmann, A. (2015). Integrating Bricks with Clicks: Retailer-Level and Channel-Level Outcomes of Online–Offline Channel Integration. *Journal of Retailing*, 91(2), pp.309-325.

[13] Hull, J., Lehn, D. and Teddlie, J. (1991), "A general approach to testing multifaceted personality constructs", Journal of Personality and Social Psychology, Vol. 61 No. 6, pp. 934-45.

[14] Ifinedo, P. (2006), "Acceptance and continuance intention of web-based learining technologies (WLT) use among university students in a Baltic country", The Electronic Journal on Information Systems in Developing Countries, Vol. 23 No. 6, pp. 1-20.

[15] Methlie, L. and Nysveen, H. (1999), "Loyalty of online bank customers", Journal of Information Technology, Vol. 14 No. 4, pp. 375-86.

[16] Nielsen, 2013. "Mobile Consumer Report February 2013." Nielsen, [internet]. Available at:http://www.nielsen.com/us/en/insights/reports-downloads/2012/mobile-consumer-report-february-2013.html [accessed on 20th February 2013]

[17] Neslin, Scott A., KinshukJerath, AnandBodapati, Eric T. Bradlow, JohnDeighton, Sonja Gensler, Leonard Lee, Elisa Montaguti, Rahul Telang, RajVenkatesan, C. Peter, Z. Verhoef and John Zhang (2014), "The Interrela-tionships Between Brand and Channel Choice," *Marketing Letters*, 25 (3),319–30.

[18] Piotrowicz, W. &Cuthbertson, R., (2014). Introduction to the Special Issue Information Technology in Retail: Toward Omnichannel Retailing. International Journal of Electronic Commerce, 18(4), 5-16.

[19] Verhoef, P., Kannan, P.K., Inman, J.J. 2015. From Multi-channel retailing – Introduction to the Special Issue on Multi-Channel Retailing. Journal of Retailing 91, 174-181.

[20] Verhoef, Peter C., Scott A. Neslin and BjörnVroomen (2007), "Mul-tichannel Customer Management: Understanding the Research-ShopperPhenomenon," *International Journal of Research in Marketing*, 24 (2),129–48.

[21] Saunders, M., Lewis, P., &Thornhill, A. (2009). Research Methods for Business Students. Fifth Edition. Prentice Hall

[22] Seibert, S., Kraimer, M. and Liden, R. (2001), "A social capital theory of career success", Academy of Management Journal, Vol. 44 No. 2, pp. 219-37.

[23] Xu, Jiao, Chris Forman, Jun B. Kim and Koert Van Ittersum (2014), "News Media Channels: Complements or Substitutes? Evidence from Mobile Phone Usage," *Journal of Marketing*, 78 (4), 97–112.

★★★