

Omnichannel Mastery: Unveiling the Profound Impact on Consumer Empowerment and Customer Satisfaction

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ABSTRACT

In this paper, we explore how businesses can utilize omnichannel strategies to enhance customer satisfaction and empowerment. Addressing diverse customer engagement methods, our research aims to understand the considerable impacts of a smoothly coordinated omnichannel approach. We present smart ideas by linking consumer empowerment to overall satisfaction that contribute to the success of business. This study explores how employing omnichannel strategies positively impacts businesses. Additionally, it serves as a roadmap for companies that want to improve customer experiences and empower their consumer base. By analyzing models, this paper uncovers key distinctions. It emphasizes that in omnichannel retailing, boosting customer satisfaction depends on empowering customers, especially through building trust.

Keywords: Omnichannel, Consumer empowerment, Customer satisfaction, Customer experience

1. Introduction

With the rise of online shopping and new ways to access information, retailers and consumers use various methods to conduct transactions. This involves using websites, brick-and-mortar stores, catalogs, and mobile apps [1]. This progress marks the latest step toward omnichannel retailing, a system that covers all commerce channels and removes any differences between them [2]. Omnichannel retailers aim to use every way of communicating to help every customer, no matter what they want, when, or where they are. The main aim across all platforms is consistent: to build customer loyalty by ensuring their satisfaction [3,4].

Nowadays, omnichannel strategies go beyond simply retaining customers from the perspective of both the retailer and the consumer [5]. Instead, they use their advantages to serve every customer, regardless of the channel they choose [1]. They also offer support for final orders anytime, anywhere. The goal is to create a smooth and shopping experience for consumers, including establishing a unified operational framework that includes logistics and post-purchase support [2]. Customers use a

single account for purchases across all channels, ensuring consistency of information and service. Various scholars aim to enhance understanding of the methods that firms can employ to establish an integrated retail environment, including information acquisition strategies. Current studies in omnichannel research have mainly focused on how omnichannel strategies impact customer buying habits and loyalty [6]. There is a hypothesis suggesting a strong positive connection between omnichannel approaches and essential business metrics such as revenue, purchase frequency, and profitability. This is believed to result from the enhanced convenience and more targeted approach to different customer segments that omnichannel strategies offer. Interestingly, it is also noted that loyal customers often interact with multiple channels, a phenomenon known as self-selection [7].

Previous research endorsed the idea that customers utilizing multiple channels are generally more loyal and profitable. However, recent studies indicate that this relationship may vary among different customer segments and brands [8]. Specifically, the positive connection between using multiple channels and customer loyalty seems to be less pronounced for highly loyal customer groups and premium brands [6, 9]. Most of the earlier research has concentrated on the impacts of businesses using their own channels during the purchasing phase.

This study aims to investigate the impact of omnichannel perceived value, omnichannel integration quality, consumer empowerment, trust, and satisfaction on consumer loyalty towards retailers. The omnichannel strategy allows customers to seamlessly move between different channels, ensuring a consistent and smooth shopping experience. Customers value brand consistency, whether they are shopping in brick-and-mortar stores or ordering online. Businesses can meet their customers' diverse needs by offering various shopping options, ultimately enhancing customer satisfaction. A quick and convenient shopping experience plays an important role in establishing customer loyalty. This research indicates that omnichannel approaches improve the overall customer experience, enhance operational efficiencies, and facilitate easier adaptation to changing market conditions.

2. Literature Review

2.1 Omnichannel

Having physical stores, official websites, and e-commerce platforms does not mean a business is practicing omnichannel retail [9]. These aspects are actually part of what we call the "multichannel." While numerous brands have embraced the concept of omnichannel for quite some time, today, many Taiwanese brands are actively employing omnichannel methods to interact with consumers. Omnichannel revolves around bringing together different channels, involving the consolidation of customer data, purchase records, and customer services [10]. The main focus is on the consumer, and the aim is to deliver an interactive shopping experience across all channels and devices.

While omnichannel retail has developed from multichannel retail, there are still notable differences in operational models, implementation goals, and consumer experiences. Multichannel retail uses the specific advantages of various channels to attract diverse customer segments with distinct preferences and demands [1]. As omnichannel retailers aim to broaden their reach and enhance service capabilities, they must effectively manage possible conflicts between different

channels [2].

Customers usually do not actively think about terms like omnichannel, cross-channel, or multichannel. Their primary concern is achieving convenient results while saving time and money, all within the context of fulfilling their needs. Several retailers adopting digital channels view it as a chance to reduce operational costs and compete with specialized digital competitors. However, pure-play digital retailers comprehend their product range and understand how consumers will purchase these products [5, 6].

In developed countries, widespread use of smartphones, tablets, and laptops, along with easy internet access, allows for complex connections between products and consumers across various platforms [10]. This trend in the retail industry is referred to as omnichannel. In the era of omnichannel, retailers aim to blur the lines between virtual and physical spaces by integrating various sales service channels like brick-and-mortar stores, websites, mobile devices, television, and phones to improve operational benefits. The retail market is presently shifting from a multichannel to an omnichannel model [11]. Retailers are breaking down the barriers between physical and online stores, aiming to provide consumers with a smooth and uninterrupted shopping experience [12]. However, due to the increasing popularity of mobile commerce, smartphones, tablets, and social networks have become crucial factors influencing market sales. This enables consumers to engage in cross-channel shopping anytime and anywhere, representing the core concept of omnichannel retailing [7].

2.2 Consumer Empowerment

Gazzola et al. [13] researched consumer empowerment, also called democratic empowerment. Consumer empowerment is a critical mechanism for co-creation between firms and consumers in a democratic context. Its primary function is to promote mutual influence and change between companies and consumers in different relationship structures [14]. As part of this approach, companies provide opportunities for customers to voice their opinions and make necessary changes in light of this feedback [15]. As a result, consumer empowerment is seen as a transfer of power from producers to consumers. It signals a shift in decision-making authority from the former to the latter [16]. Many researchers define consumer empowerment as a tactic that enables consumers to consciously regulate the advancement of product development by businesses, allowing them to collectively select the end product. Subsequently, enterprises launch products based on customer preferences [14,17]. The notion of consumer empowerment has progressively garnered consideration in the industry. According to [17], empowered consumers are better able to express the price and characteristics of a product or service, are better able to choose how to receive the service, control their exposure to product information, and learn from other users. As a result, businesses benefit from increased customer loyalty.

Although extensively discussed in academic literature, there is limited consensus on the meaning of empowerment. This may be partially attributed to the tendency to oversimplify its meaning and the trend of applying the concept to a broad survey domain [18]. For example, in the context of employment relationships, research on empowerment associates this term with the intentional transfer of power. By controlling employment-related issues, individuals exhibit improved morale, job

satisfaction, and ultimate business performance [13, 19]

Empowerment is a transformative process that reshapes traditional power structures. While often linked to control, authority, and business transactions, it's increasingly influenced by shifts in lifestyles, alternative consumption habits, and greater public involvement [20]. E-commerce, as a disruptive innovation, plays a significant role in this transformation, offering consumers new ways to redefine their relationships with businesses [13, 17].

Historically, the focus of retailers was primarily on satisfying customers and offering high-quality products or services. In contrast, today's consumers, empowered by technological advancements, play a more active role in the retail landscape. The proliferation of the Internet has opened up a myriad of options for consumers, including receiving notifications through emails, social media, or various apps. This technological evolution has introduced interactive features in retail technology, such as the ability to like, share, post reviews, and submit complaints. These developments have significantly shifted the bargaining power from suppliers to consumers, reflecting a fundamental change in the dynamics of the retail industry [21]. In marketing literature, consumer empowerment is the extent to which firms provide means for customers to communicate, influence transactional aspects, and share information and ideas related to offerings [15]. Empowered consumers, as suggested by the same source, have access to enhanced consumption experiences and tailored products or services that meet their needs and desires.

3. Research Design

3.1 Research Model

This study primarily delves into whether integrated quality and perceived value positively influence consumer empowerment, further exploring the positive impact of consumer empowerment on trust and customer satisfaction.

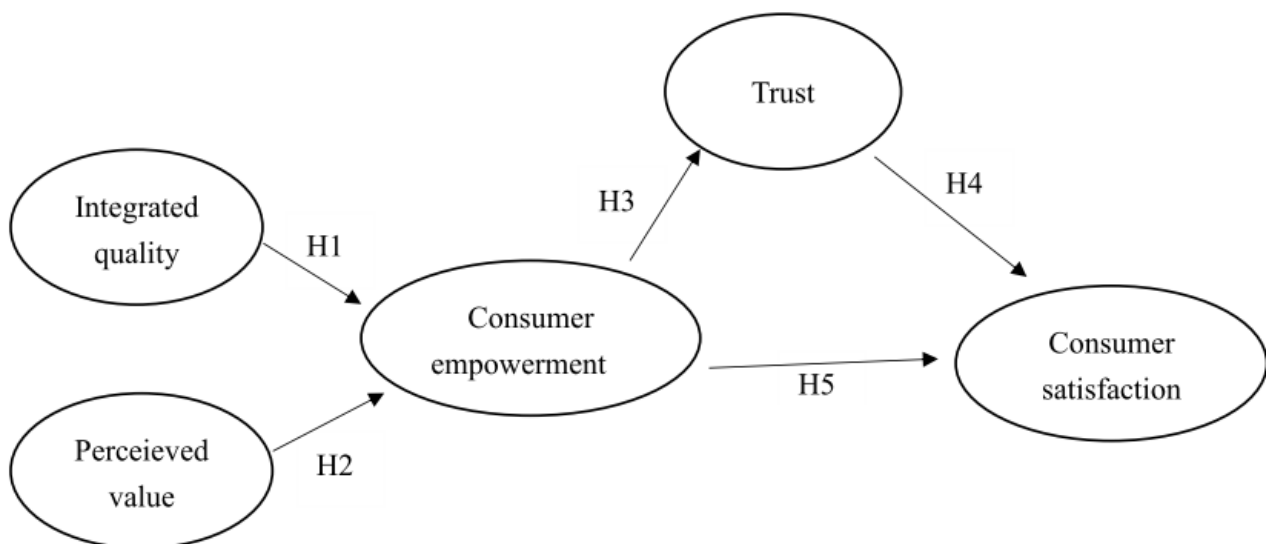


Figure 1. Research model

3.2 Research Hypothesis

H1: Integrated quality has positive impact on consumer empowerment.

H2: Perceived value has positive impact on consumer empowerment.

H3: Consumer empowerment has positive impact on trust.

H4: Trust has positive impact on consumer satisfaction.

H5: Consumer empowerment has positive impact on consumer satisfaction.

3.3 Measurement Model

Perceived Value refers to how consumers subjectively evaluate the value of a company's products or services [22]. It is a function of two key factors: evaluating pros and cons during the purchase process. Positive perceptions lead to an increase in consumer perceived value, while negative perceptions lead to a decrease [23, 24]. Factors that increase perceived value for consumers include the product's inherent characteristics and quality, the manufacturer's image and reputation, additional technical support or services, and situational elements experienced during the purchase process, such as the salesperson's attitude and the purchase's convenience [22]. On the other hand, factors that may decrease perceived value include the costs associated with the purchase, such as product prices, shipping costs, time spent selecting, and product transparency (whether or not the purchased item meets the consumer's expectations) [25, 26]. In conclusion, factors affecting perceived value transcend product or service quality and pricing to include a variety of subjective feelings experienced by individual consumers.

4. Results and Discussion

This section is dedicated to presenting and discussing the outcomes of the research. The results are typically displayed through various visual aids such as figures, graphs, and tables, which are employed to facilitate easy comprehension for the reader. Additionally, the discussion is structured into multiple sub-sections for a more organized and thorough analysis [14, 15]. This approach ensures that the findings are not only clearly presented but also comprehensively examined from different perspectives.

4.1 Descriptive Statistics

In this section, the researcher distributed electronic surveys through various social media platforms during his or her free time. The surveys represented varying age groups and professional backgrounds, reflecting the unique characteristics of each platform. A total of 250 surveys were completed, forming the basis for the following descriptive statistical analysis. This analysis includes demographic data, perceived value across multiple channels, and quality of omnichannel integration, consumer empowerment, trust, and satisfaction. These categories comprise 25 specific survey items. Descriptive statistics employ metrics like maximum value, minimum value, mean, mode, standard deviation, and quartile deviation, which reveal the sample's dispersion and characteristics. In the surveyed group, females comprised 56.8% (142 individuals) and males 43.2% (108 individuals). The majority of these consumers fell within the 18 to 45 age brackets. Specifically, a significant portion, 82% (205 individuals), were aged 18-25. Those aged 26-35 accounted for 17.2% (43 individuals),

while a minimal 0.4% (2 individuals) were aged 36-45. Regarding education, the group was highly educated: 84% (210 individuals) held bachelor's degrees, and 16% (40 individuals) were graduate students or held higher qualifications.

4.2 Measurement Model

In the upcoming fourth chapter, this study will use Cronbach's α reliability coefficient and composite reliability analysis. A higher α value indicates greater consistency and reliability of the items. Generally, Cronbach's α value and composite reliability above 0.70 are considered acceptable in research. The significance of α values is illustrated below, referencing [27].

Table 1. Reliability and validity analysis

	Cronbach's Alpha	ρ_A	Composite reliability	Average Variance Extracted
Trust	0.810	0.813	0.887	0.724
Integrated quality	0.700	0.709	0.814	0.523
Consumer empowerment	0.733	0.733	0.849	0.652
Perceived value	0.772	0.771	0.854	0.595
Customer satisfaction	0.748	0.751	0.841	0.569

4.3 Discriminant Validity

The evaluation of discriminant validity in this study involves applying the Fornell-Larcker criterion. This method is crucial for determining if the constructs being studied - namely behavioral intention, cultural impact, and participation motivation - distinctly differ from one another. According to this criterion, a key indicator of high discriminant validity is when the square root of the Average Variance Extracted (AVE) for each construct surpasses its correlations with other constructs. The findings, as detailed in Table 2, confirm this condition. The AVE values for each construct are indeed greater than their respective correlations with other constructs, thereby establishing clear discriminant validity among the items.

Table 2. Discriminant validity

	Trust	Integrated quality	Consumer empowerment	Perceived value	Customer satisfaction
Trust	0.851	-	-	-	-
Integrated quality	0.633	0.723	-	-	-
Consumer empowerment	0.685	0.602	0.808	-	-
Perceived value	0.649	0.657	0.733	0.771	-
Customer satisfaction	0.760	0.681	0.726	0.700	0.754

In the Heterotrait-Monotrait (HTMT) ratio analysis table (Table 3), some values are below 0.9. Nonetheless, all the above-mentioned analysis results meet discriminant validity standards. Hence,

based on these results, one can infer that the questionnaire's discriminant validity in this research is dependable.

Table 3. HTMT ratio analysis

	Trust	Integrated quality	Consumer empowerment	Perceived value
Integrated quality	0.827			
Consumer empowerment	0.886	0.823		
Perceived value	0.817	0.889	0.967	
Customer satisfaction	0.974	0.926	0.975	0.912

4.4 Path Analysis

Path analysis was conducted using an independent sample t-test to explore whether significant differences exist in the means of the main constructs, including Trust, customer satisfaction, integrated quality, consumer empowerment, and perceived value. A significant level of 0.05 was used for the tests.

From the structural model estimations, the impact of empowerment on trust has a value of 0.685, significantly different from 0 at the 5% significance level, indicating a positive relationship. Similarly, the coefficient of consumer empowerment affecting customer satisfaction is 0.388, significantly different from 0 at a 5% significance level, indicating a positive relationship. The trust coefficient, which affects customer satisfaction, is 0.495, revealing a positive correlation and statistically significant difference from zero at a five percent significance level. The findings indicate increased consumer empowerment leads to higher trust, ultimately enhancing customer satisfaction.

Following establishing indicator validity and reliability, the subsequent step entails testing the paths and hypotheses incorporated in the model. The bootstrap method is utilized on 320 valid questionnaires over 5000 iterations to estimate and infer parameters to analyze the significance of every path.

Table 4. Path analysis

	β	Average	Standard deviation	t-test	p- test
Trust→ Customer satisfaction	0.495	0.488	0.077	6.391	0.000
Integrated quality→ Consumer empowerment	0.212	0.218	0.070	3.011	0.003
Consumer empowerment→ Trust	0.685	0.686	0.050	13.626	0.000
Consumer empowerment→ Customer satisfaction	0.388	0.394	0.072	5.385	0.000
Perceived value→ Consumer empowerment	0.593	0.591	0.071	8.402	0.000

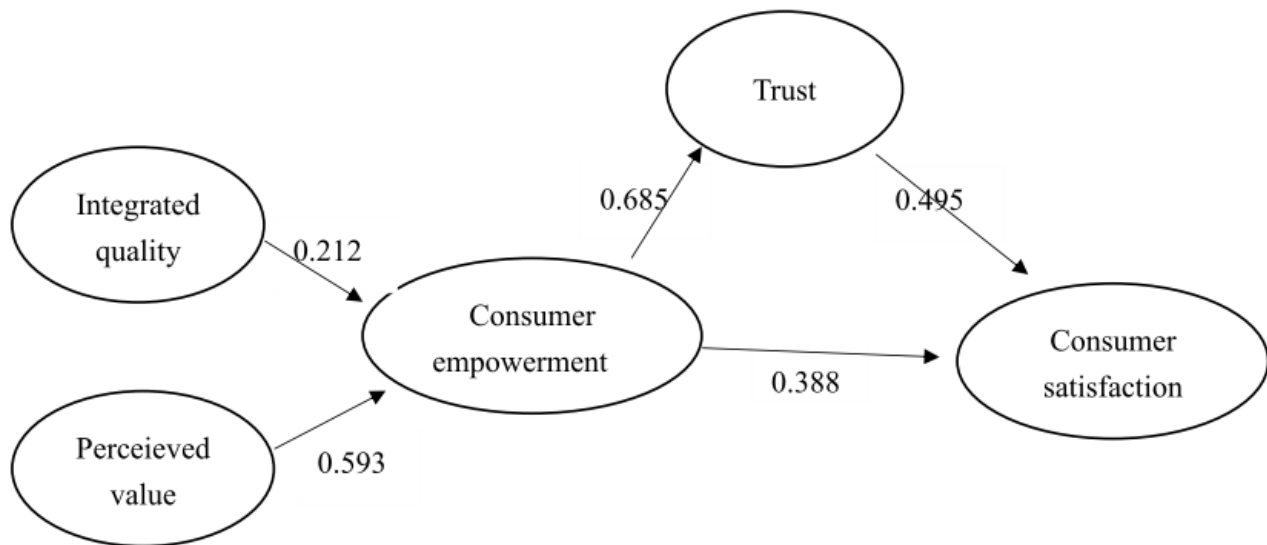


Figure 2. Result model

5. Conclusions

The results show that trust has a direct and positive impact on customer satisfaction. As customers develop greater trust in a company, their satisfaction with that specific company also rises. Quality integration across all channels has a positive influence on consumer empowerment. Consumers feel more in control of the channels when they have a good experience across different channels. Companies must focus on empowering customers and increasing perceived value to build consumer loyalty and trust.

Customer empowerment has a positive impact on trust and customer satisfaction. By providing more discounts and personalized services, businesses make consumers feel influential, increasing trust and satisfaction. Additionally, perceived value has a positive impact on consumer empowerment. When customers are content with a product's price or service, they feel a sense of influence.

The practical findings of the research help companies optimize their omnichannel approaches and understand their impact on customers. Based on the findings, businesses should prioritize the quality of their omnichannel integration, as it boosts customer satisfaction. Effective channel integration must generate synergy between all elements of the omnichannel system, including employees and channels, to promote better coordination of products and services. Most importantly, it provides customers with a consistent message and experience, increasing customer satisfaction and perceived value.

There are two research contributions to the primary objectives of this study. The first is that using omnichannel tactics increases the sense of empowerment among customers in the shopping experience. Omnichannel companies can help consumers feel more empowered with features like real-time updates and multiple payment channels. The integration of omnichannel approaches offers a broader range of shopping options, reinforcing consumers' autonomy. In addition, research shows a positive correlation between adopting omnichannel strategies and higher levels of customer

satisfaction. Omnichannel experiences offer convenience, personalization, and consistency, ultimately increasing customer satisfaction. Companies that offer customers a consistent and convenient shopping experience are more likely to develop long-term partnerships.

5.1 Research Suggestion

Two main suggestions are made in the study. Firstly, the Integration of Data Analysis method. The first recommends using sophisticated data analytics tools to track and understand customer behavior across multiple channels. This approach enables fine-tuning products, prices, and marketing strategies, providing a more customized experience that aligns with customer expectations. Additionally, Continuous Collection and Response to Customer Feedback is recommended. The second suggestion is to consistently collect and respond to customer feedback. Collect and analyze feedback from your clients regularly. Adjusting omnichannel strategies based on this data is critical for continuous improvement in customer satisfaction.

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