CUSTOMER BUYING EXPERIENCE IN MULTICHANNEL RETAILING

Transition fluency during customers' interactions with click-and-mortar furniture and interior design retailers

Master´s Thesis
in Marketing

Author:
Ekaterina Panina

Supervisors:
Ph.D. Ulla Hakala
M.Sc. Mekhail Mustak

15.5.2017
Turku

Table of contents

List of figures

List of tables

1   INTRODUCTION

1.1   Multichannel environment and customer experiences

During the last few decades, the attention of retailers has inevitably been drawn to the new opportunities provided by the Internet. The excitement of new possibilities has been however seasoned with anxiety over unknown outcomes. It has been predicted that online stores would take over and that physical points of sale would be gone forever. However, it is not necessarily the case. Although traditional retailing as we know it is slowly disappearing, the attention is beginning to turn from pure e-commerce to rapidly growing click-and-mortar stores, which successfully use both online and offline channels in retailing. (Browne, Durrett & Wetherbe 2004, 237; Kushwaha & Shankar 2013, 67.) Consumers have also noticed the development of this relatively new business model. The multichannel context has affected their buying processes and given them the opportunity to use different retail channels for searching, comparing, evaluating, forming their buying decisions, purchasing and asking assistance after purchase. As a result, customers have become highly skilled at navigating different channels and might even prefer stores with both online and offline presence (Schoenbachler & Gordon 2002, 44).

In recent years, it has also been found that customers using more than one channel during their buying process may be of a great significance for the retailer. According to Neslin and Shankar (2009, 72) and other researchers they are referring to, empirical studies on the value of multichannel customers have almost reached the point of an empirical generalization. These studies show that multichannel customer has more opportunities for purchase and therefore on average buys more and is more valuable than the single channel customer.

However, despite all the opportunities provided by the multichannel environment, it also creates a diversity of challenges for retailers. Comparison of products and prices in the Internet is much easier now which diminishes the power gained by information asymmetry and encourages undesirable customer behaviour such as cross-channel free-riding or showrooming. The balance has shifted from the retailer to customer, resulting in intensive price wars and eroding profits of the company. (Chiu et al. 2011, 268; Griffiths & Howard 2008, 69; Rapp et al. 2015, 358.) Furthermore, managing two different channels requires a lot of resources, hence companies have to come up with different strategies and solutions, for example on to what extent online and offline channels should be integrated, how to manage the supply chain or what kind of assortment to present in different channels (Piotrowicz & Cuthbertson 2014). All these struggles do not go unnoticed by the customers. Companies concentrate so much on operations, branding and improving the technology, that they may simply forget about the customer service strategy and the vital

role of managing "the end-to-end customer experience" (Goodman 2009, 1). Schmitt (2010, 4) also agrees that despite the general understanding of the importance of their customers, companies consistently fail to provide positive experiences for them.

In the recent Global Consumer Pulse Survey provided by Accenture, which measured the experiences of 13 168 customers in 33 countries and across ten industries, it was found, that globally 66 % of customers switch providers due to poor customer service, especially in consumer goods retail industry. The biggest frustrations with customer service experiences according to the global survey were long waiting times, dealing with unfriendly employees and having to repeat the same information multiple times in multiple contact situations. Top two frustrations during buying phase were unfulfilled promises and a misuse of customer's personal information. However, 81 % of switching customers stated that if the company did something differently, it would have prevented them from switching providers. Although as showed by the survey the price still matters in the choice of provider, customer experience plays an equally important role. (Accenture 2013, 6, 10–14.)

If customer is not considered during multichannel strategy planning, it may negatively affect the whole customer experience, customer satisfaction and ultimately even customer loyalty, which is extremely important for developing a sustainable competitive advantage (Dick & Basu 1994, 99). Grønholdt et al. (2015, 91) emphasise how significant the delivering of a unique customer experience is in building customer loyalty and thus in creating value for companies. The traditional elements including price, product and service quality are no longer enough for differentiation, which means that in order to gain a competitive advantage companies should try something new. One of the ways can be creating exceptional experiences for and with the customers (Pullman & Gross 1999, 551). All in all, researchers agree that differentiation via creating unique customer experiences may be the next solution for companies in highly competitive markets.

Additionally, Verhoef et al. (2009, 31) have acknowledged that in complex multichannel environment customers' experience in one channel may affect their further experiences in other channels. The ability to guide these experiences enables retailer to get new customers, retain old ones and drive them to the most profitable channel, which may lead to better channel management and revenue optimisation. However, in order to successfully guide customer experiences, retailers should know what customer experience is, what elements of customer experience can they control and how.

The concept of customer experience has been recognised by practitioners and actively studied academically for almost two decades, but it is still considered to be a new wave of research because of its scope and numerous possibilities of different approaches. Thus, the phenomenon still stays underdeveloped and the definition unclear. (Schmitt & Zarantonello 2013, 26; Verhoef et al. 2009, 31.) Already in 1990's Pine and Gilmore (1999) studied experiential economy and noted that creating a unique customer experience could

provide substantial economic value for companies. Less than a decade later other researchers, Frow and Payne (2007) amongst them, suggested different managerial implications concerning customer experiences, such as the management of customer 'touchpoints'. Different retail environments have also aroused interest in researchers, and studies began to concentrate on online customer experience in e-tailing context (see, for example, Novak, Hoffman & Yung 2000; Mathwick & Rigdon 2004; Rose et al. 2012; Dai, Forsythe & Kwon 2014). Despite the extensive research, the interest in customer experience still does not fade, on the contrary, it grows with the development of the retail environment. Now more than ever, the multichannel context and its effect on customer's buying process raise interest in the field of customer experience.

The theoretical focus of this study is particularly on *customer buying experience*. It is only a part of a total customer experience and covers experiences customers have during their buying processes while interacting directly with a company (Verhoef et al. 2009, 32; Meyer & Schwager 2007, 118). This concept will be defined in more detail later on. The main perspective, however, is that customers evaluate their journey with the company holistically, regardless of what channel they use in what stage of their buying process. The recent research has yet focused more on the specific elements of the retail environment separate from each other. (Lemke, Clark & Wilson 2011, 850.) When offline and online retail channels are studied separately, something very substantial, such as the link between these two environments, may stay unnoticed. However, taking overly general approach to customer experience may defeat the purpose of the research and make it inapplicable to managerial problems. The existent literature does not respond to this challenge properly. That is why there is a need to conceptualise customer buying experience in multichannel context in its holistic nature as well as study in detail the effects of transitions from channel to channel during customer buying process.

1.2   Research aim, objectives and focus

The aim of this study is to explore what relevance experience of the multichannel customer during his/her transitions between online and offline retail channels has in customer buying experience. In order to achieve this aim, the following questions are addressed:

- What are the main features of customer buying process in multichannel environment?
- How does customer buying experience form in context of multichannel retailing?
- What is the role of customer transitions between online and offline channels in forming of customer buying experience?

Addressing these questions in this specific order is essential for going deeper into the subject without leaving out the basic concepts. Exploring multichannel customer buying process provides an understanding of multichannel retailing from the customers' point of view. Next, distinguishing customer buying experience from holistic customer experience forms a clearer picture of the subject and the role of multiple channels in forming of experiences. After getting familiar with the concept and characteristics of customer buying experience, the relevance of channel-to-channel transitions can be identified.

In order to receive comprehensive results in spite of the time and format limitations, this paper focuses solely on *two main retail channels*: online store and physical store in context of click-and-mortar companies. Additionally, the focus of this study is specifically placed on *multichannel customers*, or the customers who use multiple channels throughout their buying process, because of the challenge their behaviour provides for retailers.

The other reason for this focus is the monetary value of the multichannel customers. It was already mentioned earlier, that multichannel customers are usually more valuable than customers using only one retail channel. In their recent study Kushwaha and Shankar (2013, 79, 82) have also found out, that multichannel customers have higher monetary value than other customers, especially while shopping for products of both low-risk and hedonic nature. The researchers emphasise the importance of the hedonic nature of a product category for the monetary value of multichannel customers. They state that "customers shopping in multiple channels have multiple opportunities to spend, seek variety, or purchase on impulse". By hedonic nature of a product category the researchers mean products that have emphasised sensory attributes, which have great importance in customer buying decisions. Consuming products of hedonic nature brings emotional satisfaction caused by these sensory attributes, which cannot necessarily be experienced through their functional qualities (Batra & Ahtola 1990, 159). We could be talking about products like jewellery, high-quality tea, designer textile, antique clocks and so on.

Based on Kushwaha and Shankar's (2013) study it is logical to focus my empirical research on the *furniture and interior design retail industry*, which sells products mostly of hedonic nature. In this category, utilitarian attributes, such as price, size and weight of the products as well as their ability to serve the function, are by all means also present. However, their hedonic side, like colours, shape, feelings associated with different styles of furniture and the feel of the fabric, have a very strong influence on customer buying decision. The hedonic nature of the product category being sold by furniture and interior design retailers may be the reason, why they should encourage multichannel behaviour and why multichannel customers should be their priority (Kushwaha & Shankar 2013, 82). According to Gentile, Spiller, and Noci (2007, 399), considering products that are not defined by a strong superiority in technological characteristics might also help better see the role played by experiential features, isolating them from others. That might be

true not only for experiential features of the product, but also for experiential characteristics of the buying process itself or the *experience* of the buying process. This means, that concentrating specifically on products with stronger hedonic characteristics may benefit the quality of the research.

It is also necessary to take into account the culture factor, as it may have an effect on service perceptions and experiences of a customer living or brought up in a particular culture (see, for example, Donthu & Yoo 1998; Liu, Furrer & Sudharshan 2001). In order to exclude the effect of different cultures, the subjects of my research are solely *Finnish consumers* and their experiences. Analysis is also focusing mainly on Finnish retailers, although there are some interesting issues concerning Finnish people behaviour towards foreign providers that came up in the consumer interviews, and should be mentioned.

Furniture and interior design retail industry in Finland is quite significant. It encompasses stores and flea markets that sell furniture, fabric, carpets, light fittings, household goods, home plants, house decorations, presents, art and antiques. In 2013 the revenue of this industry reached 2.2 billion euros, in spite of gradual decline in number of physical stores since 2008 due to the big players in the market, leaving over 5100 places of business, more than 700 of which were furniture stores. In 2014 the buying power for the furniture and interior design retail industry totalled 3.4 billion euros. The significant part of it, amounting to 1.4 billion euros, was directed to furniture stores and 1.2 billion euros to gifts and home decorations. The buying power is distributed between citizens so that on the average Finns can use 630 euros per year to elevate their home interiors. Geographically the market of furniture and interior design industry is concentrated on southern and western regions of Finland, mainly in Uusimaa-region, which was taken into account in this study during interviewee selection. (Santasalo & Koskela 2015, 112–117.) These numbers show that in the context of Finland, furniture and interior design industry has a great value for country's economy, which in turn supports the decision to focus the empirical study on this particular industry.

1.3   Significance and structure of the study

This study offers a fresh approach to customer experience in multichannel environment by suggesting a new concept of customer buying experience built on the existing literature from several waves of research. The empirical results of this study explore customer behaviour and support the proposed theoretical model in the context of click-and-mortar furniture and interior design retail. The results may be of significance to managers, marketing professionals, small business owners and other decision makers in furniture and interior design retail industry, who are struggling to manage multiple retail channels and wish to compete by providing the superior customer experience. However, in academic

sense, the main ambition of this study is to capture the phenomenon of customer experience in a way that can be manageable by companies, but could still reflect in depth consumer behaviours associated with the concept. The conducted qualitative study gives a good foundation for future quantitative research in two directions: developing the suggested theoretical concept of customer buying experience and identifying the causal relationships between the elements of this concept. By answering the research questions, this study will reach the point where it will be possible to propose hypotheses that can be tested in future quantitative studies.

The structure of this study is as follows. In the Chapter 2 the theoretical framework is created based on three research objectives presented earlier. The method used in constructing the literature review chapters can be identified as a funnel approach, starting from the broader concepts and narrowing them down to address the specific topic of this study. First, in Chapter 2.1 the consumer decision-making process is taken as a basis for exploration of consumer behaviour in multichannel environment. Next, the more recent concept of customer experience is presented in the first part of Chapter 2.2, making it possible to construct the new concept of customer buying experience developing on the previous chapters. Finally, in Chapter 2.3 the specific topic of customer experiences during channel-to-channel transitions is addressed in context of the previously presented concept of customer buying experience. Additionally, a comprehensive theoretical framework is built to capture the relations between presented theoretical concepts. In the Chapter 3, the methodology, design and progress of the study are described. Further, in Chapter 4, the findings are presented in accordance to operationalisation decisions, followed by discussion on the results, quality and limitations of the study in Chapter 5. Finally, conclusions are made and theoretical and managerial implications are discussed in Chapter 6, and summary of the whole thesis presented in Chapter 7.

2 CUSTOMER BUYING EXPERIENCE IN MULTICHANNEL CONTEXT

At the moment customer experience in context of different retail environments is a highly relevant topic both in academic and managerial literature. Before going deeper into the subject of customer experience and its part – customer buying experience, it is essential to understand customer behaviour in multichannel retail environment. Therefore, this chapter covers the existing literature on the topics of customer buying process and channel choice, customer buying experience and adjacent concepts, as well as the role of fluent transitions between channels during the customer journey, addressing all three research objectives leading to the aim of this thesis.

In the literature review the focus of this study is reflected mainly by concentrating on the behaviour of multichannel customers of specialised click-and-mortar retailers. This means that experiences specific to interactions with other type of retailers, like grocery stores, hypermarkets, and discount department stores that offer a variety of product categories, are excluded from the analysis. The furniture and interior design industry, however, is reflected only by taking into account the category of products this industry produces being products with strong experiential features. Otherwise, this focus on the specific industry is more evident in the empirical part of this study.

2.1 Consumer in a multichannel environment

The question on how consumers make their purchase decisions has appealed to social science researchers for a long time. Understanding consumers' decision-making during their buying process is crucial to explaining and predicting their choice behaviour. (Yoo 2005, 7.) Furthermore, knowing why consumers make certain choices during their buying process may also benefit the understanding of their behavioural patterns and formation of their buying experiences in different channels. This thorough understanding of underlying processes has a great managerial value for creating experiential strategies that suit different multichannel customer groups. This is why this part is aimed at addressing the first research question of this thesis, which concerns the main characteristics of customer buying process in multichannel environment. This chapter explores how consumers behave in the retail environment, where both online and offline retail channels are available.

2.1.1 *Consumer decision-making process*

One of the ruling models of consumer decision-making process was first introduced by Engel, Blackwell and Kollat in 1968, and has been used and modified by numerous researchers ever since (Rau & Samiee 1981, 310–311). The focus of this model is on the individual decision making, viewing it as a process instead of the singular action. The researchers emphasise the way consumer comes to make decisions and divide this process into five stages. It starts with problem recognition, which catalyses further actions. The problem can be triggered by both internal and marketer-dominated stimuli. Internal stimuli are internally detected needs of a human being such as physiological, safety, love, esteem or self-actualisation needs categorised by Maslow (1943). Marketer-dominated stimuli refer to the same needs, but are derived from the external factors, such as product commercials, word-of-mouth communication or product being in use by someone else. These external stimuli reveal the possibility of making a purchase. (Bruner & Pomazal 1988, 54–55.)
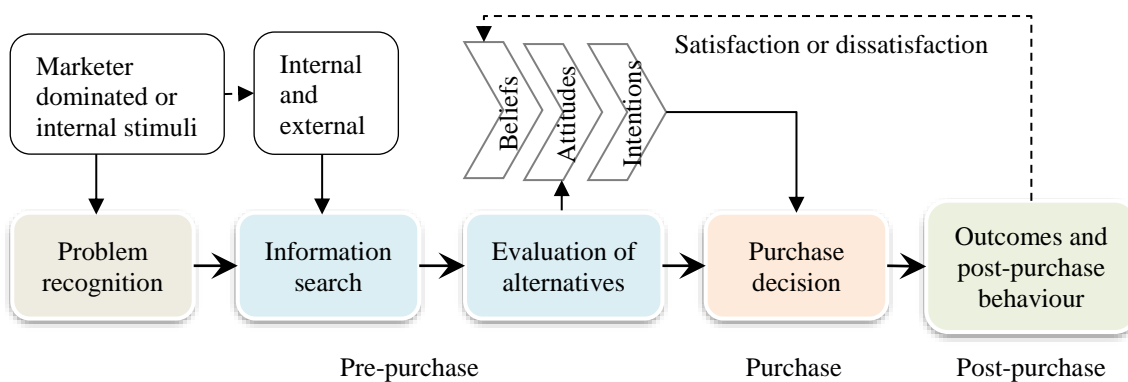
Figure 1   Five-step model of the consumer decision-making process or EKB-model
             (adapted from Engel, Blackwell & Miniard 1995, 95)

After the need is recognised, consumer strives to fill the gap between desired and actual states. That is when the second stage of the process starts, where consumer searches for the means to satisfy his/her needs. (Butler & Peppard 1998, 605-606.) Although the word 'search' implies involved action, there are in fact two levels of involvement during information search stage: passive and active search. The first level of involvement refers to heightened attention and openness of the consumer to different information about desired product. On the second level of involvement consumer actively searches for information resorting to different sources. (Pedraja & Yague 2001, 316; Kotler et al. 2012,

271.) These sources can be both internal, such as memory or prior knowledge, and external (Nasco & Hale 2009, 227[1]). Regardless of the level of consumer involvement, it has been suggested that the amount of external search conducted by consumer is usually still rather limited and focuses on a small set of available information sources (Midgley 1983, 74). External sources can be divided into four groups: (1) personal, such as family, friends and acquaintances, (2) commercial, including websites, salespeople, packaging and advertising, (3) public, such as mass media or internet communities, and (4) experiential, referring to handling, examining or using the product. (Kotler et al. 2012, 271.) Other categorisation, which is more popular among researchers but at the same time less precise, is division into interpersonal, non-personal and physical information sources (see, for example, Beatty & Smith 1987, 84; Gilly et al. 1998, 83–84; Mourali, Laroche & Pons 2005, 308). These types of sources are present both in virtual and physical environments and can only to some extent be under control of the retailer. Consumer continues searching for information until brands and products he/she is aware of form the consideration set and finally the choice set, from which consumer chooses the best perceivable option (Kotler et al. 2012, 272).

Before making a purchase decision, consumer evaluates and analyses chosen options. Evaluation of alternatives may be a distinct step in the process or may be blended with information search, as consumer discards other options based on most relevant criteria. Consumers, however, do not base their evaluation solely on the information collected. Their intentions are affected by subconscious beliefs and formed attitudes towards brands, retailers and other criteria, usually created by previous experience. Consumers search for attributes which in their opinion have the greatest value to them and the biggest potential to satisfy their needs, which creates a big challenge both for product producers and for retailers, as different consumers may prefer different attributes. (Ciceo 2012, 1123[2]; Wen et al. 2014, 1511.)

After evaluating considered alternatives, consumers proceed to making a purchase decision, which includes decisions on what, when, where and how they would like to purchase. This decision is usually based on previous stages and eased by heuristics or 'rules of thumb'. It is also important to acknowledge the difference between purchase intention and purchase decision. This difference lies in factors that may affect the conversion of purchase intention in to action. These factors are attitudes of other people and unexpected situational factors. The effect of other people's attitudes on consumer's purchase decision is determined by the motivation of the consumer to act according to wishes of other people and by how negative are other people's attitudes towards the matter. Also unexpected

---

[1] Original source: Bettman, J. (1979) *An Information Processing Theory of Consumer Choice*. Addison-Wesley, Boston, MA.
[2] Original source: Kotler & Sheff (1997) *Standing Room Only. Strategies for Marketing the Performing Arts*. Boston: Harvard Business School Press, 87–88.

situational factors, like losing the job or being treated with disrespect by a salesperson, may come to life and change the initial intention. (Fishbein 1972, 248.)

The last stage of the decision-making process is the outcomes of the purchase and customer's post-purchase behaviour. This stage includes behaviour such as consumption, usage, post-purchase engagement, and service requests (Lemon & Verhoef 2016, 78). Butler and Peppard (1998, 609) are convinced, that it is crucial to look at this stage as a part of customer decision-making and not as an outlying phenomenon, as it facilitates the understanding of consumer behaviour. Researchers state that considering the importance of ongoing relationship with customers, companies should see the purchase phase as a starting point of the process rather than the end of it. Furthermore, the main concepts associated with post-purchase behaviour, such as perceived product performance, customer satisfaction, quality of service dimensions as well as customer complaints and suggestions, might be critical to understanding of further consumer behaviour.

Furthermore, all the stages of decision-making process are influenced by different variables, such as (1) individual characteristics, including knowledge, motives and involvement, values, lifestyle and personality, (2) social influences from culture, reference groups or family, (3) situational factors and (4) environment (Wen et al. 2014, 1511[3]). The two latter variables are quite dependent on the retail context, and therefore emphasise the importance of experience customer has in retail environments to his/her purchase decision. The level of customer involvement in the purchase also deserves attention. Big expensive purchases, such as sofas or beds, or products that carry meaning and are of a great importance to the consumer are medium and high involvement products and tend to increase the complexity of the buying process and distinctness of the stages (Balasubramanianin, Raghunathan & Mahajan 2005, 15[4]). The purchase process for low involvement products, on the other hand, seems to be simplified, as it becomes evident further.

Despite the comprehensiveness of the EKB model, consumer decision-making process often emerges in marketing literature as a three-stage model, consisting of pre-purchase, purchase and post-purchase stages (Frambach, Roest & Krishna 2007, 28–30). More suitable term for this model is, in fact, customer buying process, as it does not describe the decision making but rather concentrates on the states of customer in relation to the retailer. The first stage of this process covers first three stages of the EKB-model. The reason for that, apart from the intention of simplifying the process for other purposes, is the nature of these three stages. Problem recognition, information search and evaluation of alternatives sometimes can be very distinct in consumer's mind. He/she may follow through these stages one by one or come back to each of them over and over again before making

---

[3] Original source: Engel, J.F. – Blackwell, R.D. – Miniard, P.W. (1995) *Consumer Behavior, 8ᵗʰ ed.*, Harcourt Education, Fort Worth, TX.

[4] Original source: Lilien, G.L. – Kotler, P. – Moorthy, S.K. (1992) *Marketing Models*. Englewood Cliffs, NJ: Prentice-Hall.

a decision. However, other times, especially in the case of low involvement products, the pre-purchase stage might happen quite unconsciously: consumer's mind will process stimuli, beliefs and attitudes without him even noticing, leaving only an inexplicable intention to buy certain product from certain provider. (Solomon 2002, 46.) The three-stage customer buying process model is more suitable for this study, as the goal of this research is not deepening the knowledge about elements of the decision-making process, but examination of the phenomena around this process.

2.1.2 *Multichannel behaviour and channel choice*

The main phenomenon we are concentrating on in this chapter is the multichannel environment and how it affects the customer buying process. Multichannel environment provides challenges for retailers as well as opportunities for customers. As it has been mentioned earlier, customers make different choices not only in terms of products, brands or retailers, but also about what retail channel they are wishing to use during their buying process. When customers navigate through different stages of their buying process, it is quite usual that they may also transfer from one retail channel to another (Frambach et. al 2007, 27). The decisions to switch channels are usually made in accordance to consumption goals, which can be achieved not only by specific product attributes, but also by the channels used in purchasing this product (ibid, 28). This means that consumers evaluate the retail channel's ability to fulfil their needs in each step of the buying process and make channel-related choices as well as product-related choices. According to Wolny and Charoensuksai (2014, 318) Frambach et al.'s (2007) dichotomy of online–offline is now outdated, and the growing number of different channels used by consumers has to be examined more closely. However, the channels researchers are talking about are not retail channels, as this study indicates, but media channels and different variations of offline and online presence of the company, including social media, blogs, mobile applications, and so on. With respect to the focus of this study specifically on customer interactions with retail channels, customer touchpoints with a retailer will be nevertheless divided in retailer's physical and virtual presence in any given form.

For example, in their article Steinfield, Bouwman and Adelaar (2002, 93–94) are describing the three-staged buying process in multichannel context. They study the integration of physical and virtual channels in click-and-mortar business. As illustrated in Figure 2, researchers have exemplified the consumer journey between physical and virtual retail channel during three stages of the buying process.

Physical channel (P)

Virtual channel (V)

	Pre-purchase (1)	Purchase (2)	Post-purchase (3)
Physical channel (P)	P1	P2	P3
Virtual channel (V)	V1	V2	V3
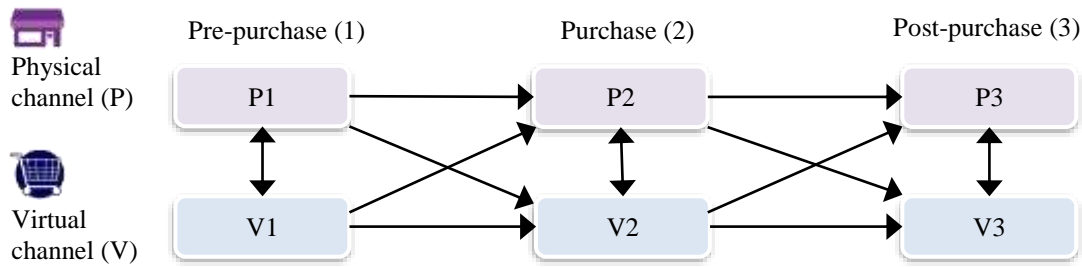
Figure 2   Use of physical and virtual channels in an integrated click-and-mortar business (adapted from Steinfield et al. 2002, 94)

This model is able to describe, although simplifying, almost every multichannel customer journey. The following story can serve as an example. Tom is spending his time in the city centre and goes into a home textile shop to browse (**P1** step in the model). After going through different blankets, his hand meets an extremely soft one, which catches his attention. He is not sure, if he needs a plaid blanket, he remembers, that he must have one at home. He leaves the shop. In the end of the week Tom is organising his closet and finds his old blanket. He remembers, that he does not use it anymore, because he had burned a big hole in it. Then he remembers the one he saw in the shop and searches for the name of the shop through the popular search engine while he has a break. This shop has a web shop (**V1**), so he goes through the pictures looking for the one blanket he saw in their physical shop. He does not find it in their web shop, but he notes the opening times of the shop, and that the company has another one near his workplace. Couple of days go by and Tom receives a call from his girlfriend Jane – she is coming to city to visit him, but has a mild cold. Tom remembers the blanket, and after work goes straight to the textile shop located near, finds it there, ensures, how soft and warm it is, and purchases it (**P2**). However, after first wash, blanket loses all the colour. Disappointed, Tom goes to the company's web shop and writes a negative review under this product (**V3**). The same day his review is answered by customer service with the implication, that the product must have been defective, and that he can change it to a new one in the shop where he made this purchase. Next morning, before picking Jane from a railway station, he goes by the shop (**P3**) and gets a new blanket in place of the defective one. Jane is warm and Tom is happy. This story shows how the customer's journey went from physical to virtual channel during the pre-purchase stage, then to physical channel during purchase stage and from virtual to physical channel after purchase (P1–V1–P2–V3–P3). The number of unique customer journeys described by this model can be infinite.

The similar model has been proposed by Neslin et al. (2006, 97) in context of multichannel customer management with slight differences, naming three stages as 'search', 'purchase' and 'after-sales'. After-sales stage in this context means the same, as post-purchase stage with one important exception: the former is used from the point of view of the retailer and means the services retailer is ready to provide after transaction, and the

latter is viewed from the perspective of a consumer and means his/her post-purchase be-
haviour, which includes much more than interactions with the retailer. The main idea of
the model stays the same: multichannel customers make transitions from one channel to
the other either during the same stage of buying process or while proceeding to the next
one. This fact evokes the question this study is focusing on – how will this behaviour
apply to the experience customers get during their journey with the company? The answer
lies in the reasons for channel switching.

Although both virtual and physical retail channels are used to connect end customers
and producers in the most optimal way, they are radically different in nature. Both chan-
nels have their advantages and disadvantages in relation to consumer goals. Also, the
format of a speciality shop as well as the category of products this shop sells will highlight
the advantages of one channel over another.

Online shop in comparison to physical store has deeper product information, which is
usually linked straight to databases, and broader assortment. It may also contain customer
reviews and tips as well as editorial content and advice, to the extent that is not possible
in the physical location. Online environment can also facilitate easier price comparison
and provide social engagement and two-way dialogue in the comfort of customers' own
home. The convenience of access to any product, anytime and from any location is the
main feature of online environment giving e-commerce a noticeable competitive ad-
vantage. (Wolfinbarger & Gilly 2000, 34–35.)

However, physical environment has attributes that are difficult to translate into virtual
channel context. For instance, social interactions between customers and employees as
well as in customer groups have an important role in customer satisfaction with the retail
service. Additionally, ambient cues, such as sounds and smells as well as tactile infor-
mation, may be crucial in case of some product categories. (Ruby & Zhao 2010, 485–
486[5]; Bitner 1992.) Shopping in physical store may be considered as an event: ability to
test and experience products, instantly gratifying all senses, and to receive personal and
reliable help from employees can be a way of spending both personal time as well as time
within close social circle. Furthermore, physical location facilitates convenient returns as
well as instant access to purchased products, which online shop is not able to provide
(Ruby & Zhao 2010, 486). Especially in the case of speciality shops, or furniture and
interior design shops in particular, where ambient product features have noticeable he-
donic value to customers, physical channel stays relevant.

Additionally, there is an ongoing discussion concerning consumer trust: many re-
searchers acknowledge, that trust plays a crucial role both in offline and online purchases,
especially taking into account the perceived risks of online transactions (Koufaris &

---

[5] Original source: Baker, J.A. (1986) The role of environment in marketing services: the consumer perspec-
tive, in Czepiel, J.A., Congram, C. and Shanahan, J. (Eds), *The Services Marketing Challenge: Integrated
for Competitive Advantage*, American Marketing Association, Chicago, IL, 79–84.

Hampton-Sosa 2002; Winch & Joyce 2006; Bart et al. 2005). Brand trust is also something that affects channel trust, and vice versa. For example, Hongyoun Hahn and Kim (2009) have studied the effects offline brand trust has on online shopping intention in multichannel environment, and found that consumer trust towards a retailer played a significant role in perceived internet confidence and willingness to search product information via retailer's online channel.

Schoenbachler and Gordon (2002, 49–50) research consumer multichannel behaviour through the lens of perceived risk, motivation, product category as well as previous experience with direct marketing and the web site. These factors, along with consumer demographics, convenience seeking, web shop design, product availability and return behaviour were proven to affect the channel choice customers make during their buying processes.

In addition to determinants of channel choice linked to trust, convenience, store environment, product category or its availability, Balasubramanianin et al. (2005, 13) suggest that customer's specific goals during his/her buying process might influence channel preference. These goals may vary from one stage of buying process to another affecting the channel choice. Figure 3 illustrates five goals consumer is seeking while shopping in multichannel environment.
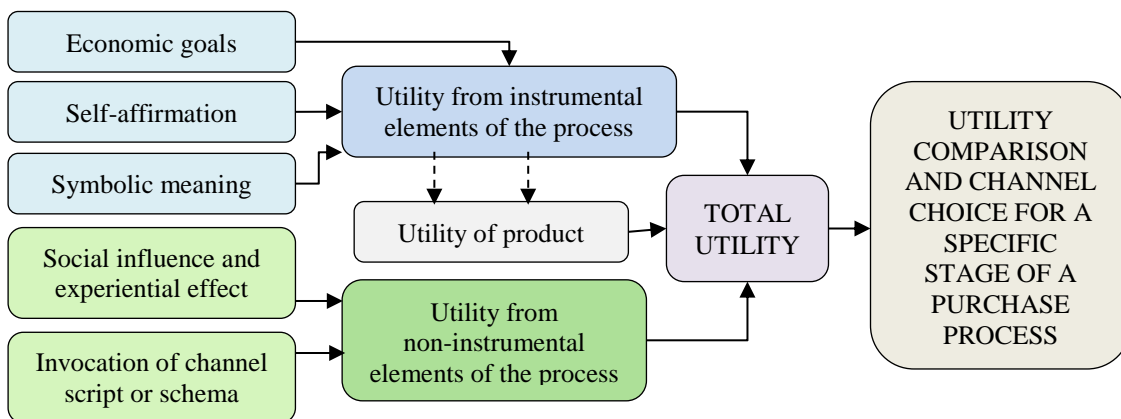
Figure 3   Determinants of channel choice at a given stage of a purchase process (adapted from Balasubramanianin et al. 2005, 14)

Economic goals refer to consumer's pursuit of efficiency and value optimisation during his/her buying process, which may explain certain channel choice. If consumers are in need of self-affirmation, they may choose a channel that can better aid them in affirming their expertise or knowledge concerning the product choice. For some consumers, time and effort spent on searching and choosing the product has a symbolic meaning, therefore, in order to achieve it, the shopping channel can be chosen accordingly. These three types of goals precede the utility customer gets from instrumental elements of buying process, which include activities that entail physical effort or are intended to assess

the quality of products. These actions are also indirectly linked to the value customer gets from the product itself. There are also non-instrumental elements of the buying process, which are activities that happen during shopping, but are not central to the process of searching, evaluating or choosing products. Consumer goals that can be appointed to the non-instrumental elements of the process are seeking for social influence and experiential effect, and need to invoke a particular schema while shopping. The former refers to consumers' need to be a part of social and stimulating environment, and the latter indicated consumers' pursuit of rules and patterns in their shopping behaviours. (Balasubramanianin et al. 2005, 13–14, 19)

In order to deliver a unified customer buying experience, retailer should gain a thorough understanding of different customer segments and their channel preferences. In their paper, de Keyser, Schepers and Konuş (2015, 453–456) build their research on a previous paper by Konuş, Verhoef, and Neslin (2008), and emphasise the managerial value of multichannel strategies tailored specifically to serve particular customer segments during all stages of their customer buying process, or as the researchers call it *customer journey*. Extending previous research by adding to the model the last stage of buying process, after-sales service, and segmenting multichannel customers based on channel use, the researchers identify six clusters of multichannel shoppers (Table 1).

Table 1   Segment profiles for channel use in three-stage model (N=314) (adapted from de Keyser et al. 2015, 455)

Cluster Name		Cluster 1 Research shoppers – after sales: store	Cluster 2 Web-focused shoppers	Cluster 3 Store-focused shoppers	Cluster 4 Research shoppers – after sales: Internet/ store	Cluster 5 Web-focused shoppers – after sales: store/call centre	Cluster 6 Call centre-prone shoppers
Segment Profile (Usage level %)	*Cluster Size*	34%	22%	18%	11%	9%	6%
	Internet (info search)	Over 50 %	Over 50 %	Under 10 %	Over 50 %	Over 50 %	Over 50 %
	Store (info search)	30 %–50 %	10 %–30 %	Over 50 %	Over 50 %	10 %–30 %	10 %–30 %
	Call centre (info search)	Under 10 %	Under 10 %	Under 10 %	Under 10 %	Under 10 %	Under 10 %
	Internet (purchase)	Under 10 %	Over 50 %	Under 10 %	30 %–50 %	Over 50 %	10 %–30 %
	Store (purchase)	Over 50 %	Under 10 %	Over 50 %	Over 50 %	Over 50 %	10 %–30 %
	Call centre (purchase)	Under 10 %	Under 10 %	Under 10 %	Under 10 %	Under 10 %	Over 50 %
	Internet (after-sales)	Under 10 %	Over 50 %	Under 10 %	Over 50 %	10 %–30 %	10 %–30 %
	Store (after-sales)	Over 50 %	Under 10 %	Over 50 %	Over 50 %	Over 50 %	10 %–30 %
	Call centre (after-sales)	Under 10 %	Under 10 %	Under 10 %	Under 10 %	30 %–50 %	Over 50 %

Legend: – Under 10 %   – 10 %–30 %   – 30 %–50 %   – Over 50 %

The first cluster identifies research shoppers with store as a primary after-sales channel. This group has a strong preference for using the Internet for information search, while purchases are made primarily in store. The group seen in the second cluster are web-

focused shoppers. These customers use the Internet in all three stages of their customer journey. Grouped into the third cluster are store-focused shoppers who display preference for using primarily physical channel during their customer journey. Fourth cluster comprises a segment of research shoppers that use both Internet and store for the after-sales actions. This segment also shows common use of both Internet and physical channel for information search. The fifth segment consists of web-focused shoppers that use both store and call centre as main after-sales channel. Lastly, call centre -prone shoppers who show a preference for online information search, followed by a strong orientation toward the call centre and store for purchasing, and call centre for after-sales, form the sixth cluster. (de Keyser et al. 2015, 455.)

Furthermore, de Keyser et al. (2015, 455) describe the characteristics of each consumer group present in their material. Research shoppers of the fourth cluster tend to put great importance on their self-image: they are young, have high average revenue and high involvement in products they buy, therefore they may use many channels depending on the importance of their purchase. Compared to call centre prone customers of the sixth cluster, which shows the greatest customer loyalty, but low average revenue, web-focused shoppers of both second and fifth cluster appear less loyal of all. The important finding the researchers emphasise is that customers who conduct information search and make purchases online do not necessarily choose online channel for their post-purchase activities. This study was conducted among customers of a Dutch telecom retailer that sells mobile devices, accessories, and subscriptions. That means that it is not fully applicable to the focus of this study on furniture and interior design industry because of the high technological characteristics of the product category being purchased in this case. However, this segmentation study shows, how undeniably important understanding the multichannel behaviour of different customer segments across all stages of customer journey is for designing marketing strategies. These marketing strategies can be used to create and manage customer experiences as well as to avoid undesirable cross-channel free-riding behaviour.

2.1.3 Customer journey concept

Customer journey is a relatively new term that looks at customer's behaviour in multichannel environment during his/her decision making. This concept, which has already appeared on several occasions in previous chapters of this thesis, is broadly used in managerial literature, but is just starting to appear in academic marketing literature. In fact, the first comprehensive academic studies on combining the concept of customer journey with such broadly studied and timely subjects as customer experience and service quality

are being published at the same time this paper is written (e.g. Halvorsrud, Kvale & Følstad 2016; Lemon & Verhoef 2016).

There are several definitions of customer journey. Norton and Pine (2013, 12) define customer journey as a "sequence of events <…> that customers go through to learn about, purchase and interact with company offerings – including commodities, goods, services or experiences". In Clark's (2013) web article it can be noticed that the definition of customer journey has an emphasis on experiences customer has while interacting with different touchpoints that represent a brand, product or service of interest. Also, Farnham and Newbery (2013) study customer journey in the light of interactions with a company brand: how customers experience the brand through different touchpoints.

However, according to Rawson, Duncan and Jones (2013, 91), the customer journey is more than a combination of touchpoints. The researchers note, that if companies concentrate only on the touchpoints, or on the critical 'moments of truth' during customer interactions with the company, it may create a distorted picture. Although customer's satisfaction with the touchpoints may be high, the level of satisfaction customer might actually have during his/her whole journey, or in other words end-to-end experience, might be different.

Additionally, interactions with the company often do not follow the linear structure, as the early decision-process literature might suggest. This combination of actions can be described more as an ongoing cycle or as a relationship than as a linear process. Customer journey also involves a number of media and retail channels utilising characteristics of different environments, and provoking emotional, behavioural and cognitive responses from the consumer during the process. (Wolny & Charoensuksai 2014, 319.) Interestingly, these kinds of responses are in line with customer experience dimensions, as will become evident in the next chapter. So, it can be stated, that customer journey in its nature it tightly connected to customer experience. Furthermore, in their newest study aimed at developing a stronger understanding of customer experience and the customer journey, Lemon and Verhoef (2016) argue that customer journey is, in fact, the holistic definition of customer experience. They conceptualise customer experience as "a customer's 'journey' with a firm over time during the purchase cycle across multiple touchpoints."

At this point the distinction between the customer journey and the multichannel customer buying process should be made. As mentioned earlier, multichannel customer buying process is focusing on customer's direct interactions with physical and virtual retail channels, when customer journey, in turn, considers all possible touchpoints also with media channels that are indirect interactions with the brand. Talking about multichannel environment in the context of this paper means considering multiple (in this case two) retail channels, but not other communication channels customer may have interactions with during his/her journey. This approach still does not restrict the understanding of different direct interactions a customer might have with the retailer: retailer's virtual channel

may be accessed from different devices in the same manner as customer may interact with retailer's physical channel in different locations.

The matters discussed in the previous chapters can be summarised in Figure 4. This figure outlines the main features multichannel customer buying process embodies in context of this study with the factors affecting customer's multichannel behaviour as well as the relation customer buying process has to customer journey concept.
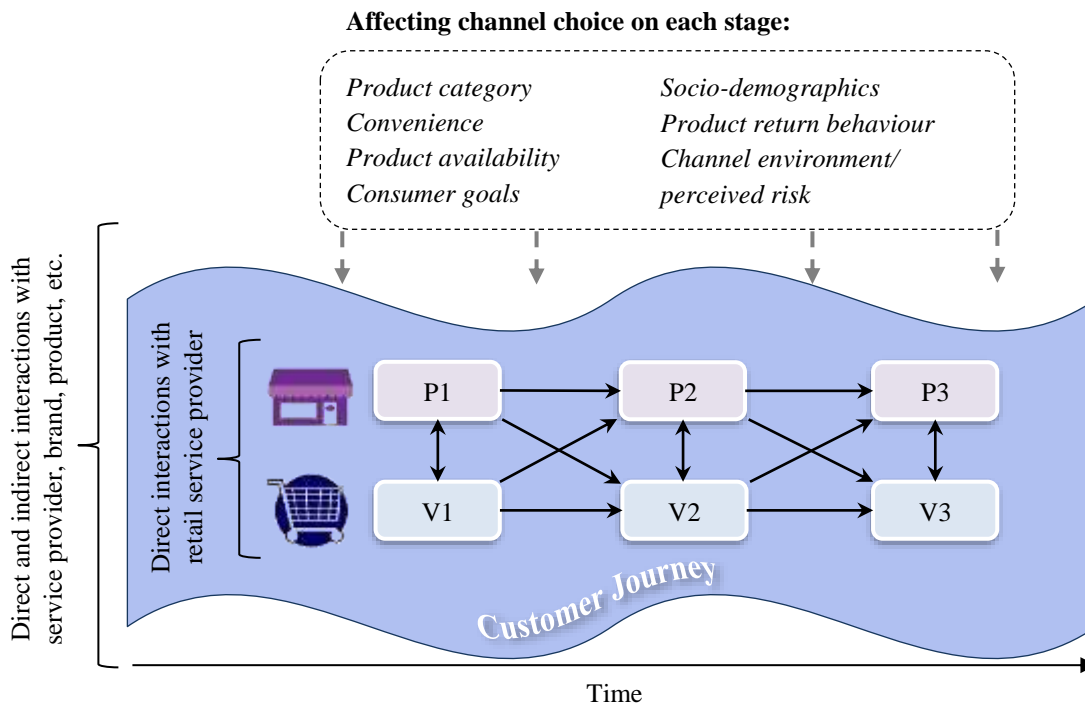
Figure 4   Main features of customer buying process in multichannel environment

However, despite the hope of giving broader understanding on the topic of customer experience in multichannel context, this study is not focusing on the customer 'journey' experience, but on the customer experiences specifically during customer buying process. The reason for that will be addressed in the next chapter.

2.2   Customer buying experience

At the moment customer experience, according to Sharma and Chaubey (2014, 18), is in the focus of companies across all industries, especially in service sector, and is considered one of the most important aspects in achieving financial success. Both marketing academics and practitioners concentrate their attention to managing customer experiences (Grønholdt et al. 2015, 90), which is proven to be challenging due to the number of different approaches to customer experience and many forms it may take. First, this chapter describes customer experience as a holistic concept, showing its different dimensions,

specifically in the context of retail industry, and its relations to customer expectations and satisfaction. Next, the new notion of customer buying experience is proposed, which as a concept has some important differences from the existing approaches to customer experience in multichannel retail. It appears to be more manageable than the holistic definition of customer experience, but at the same time does not disregard the complicated behaviours customers display in the multichannel environment, especially in case of specific product categories. Lastly, to give the comprehensive understanding of the idea, the process of customer buying experience creation is discussed in more detail.

2.2.1 Many faces of customer experience

According to Merriam-Webster Online Thesaurus, there are two noticeably different definitions of the term 'experience'. It can be defined as (1) "a knowledge gained by actually doing or living through something" or as (2) "an exciting or noteworthy event that one experiences first-hand". The first definition can be also described as "the fact or state of having been affected by or gained knowledge through direct observation or participation" (Merriam-Webster Online Dictionary), making an emphasis on the past life experiences accumulated over time, the process of learning. The second usage of the term refers to exceptional feelings, direct perceptions, "something personally encountered, undergone, or lived through" (Merriam-Webster Online Dictionary). This distinction in the meanings of the term of experience may be one of the reasons why researching this topic appears challenging (Schmitt & Zarantonello 2013, 28).

Holbrook and Hirschman (1982, 133), being ones of the first researchers to introduce the experiential perspective to marketing research, defined experience as "a subjective state of consciousness associated with a variety of symbolic meanings, hedonic responses and aesthetic criteria". Later, Pine and Gilmore (1998, 12; 1999) recognised the arrival of 'experience economy', pointing out that today consumers value "unique, memorable and sustainable" experiences more than services or goods. Supporting this view, Gentile et al. (2007, 397) focus on emotional, sensory and aesthetical components of experience that provide value to customers. This research emphasises some parts of the earlier categorisation of sensory, emotional, cognitive, behavioural and relational values provided to customers through experiences (cf. Schmitt 1999, 57).

There are a number of studies on different dimensions of experiences in marketing literature. In their study, Schmitt and Zarantonello (2013, 30–36) successfully recap and organise the previous research literature in following categories: product and service experience, off-line and online experiences and atmospherics, consumption experiences, and brand experience. There also have been studies on past customer experience and its relation to satisfaction and post-purchase decision making (van Doorn & Verhoef 2008).

The most general and broad marketing research on experience are studies on *consumer experience*. This line of research has conceptualised general models and categories of consumer experience and experiential process, avoiding focusing on specific marketing elements or activities. (Schmitt & Zarantonello 2013, 30.) For instance, in their ambition to grasp the concept of consumer experience, Arnould, Price and Zinkhan (2002[6], see Schmitt & Zarantonello 2013, 30) have proposed the so-called 'consumption interactions', which describe all possible interactions with marketing entities that can result in experiences. These interactions are categorised as follows:

- anticipated consumption: experience during product search, planning for future purchases, daydreaming and fantasising;
- purchase experience: experiences connected to choice, payment, bundling products, service encounter and atmospherics;
- consumption experiences: sensory experiences, feelings of satisfaction, completion, arousal, flow and transformation;
- remembered consumption: reliving past experiences in a nostalgic and storytelling way.

As it can be observed, the first type of interaction describes the experiences of the pre-purchase stage of customer buying process, the second reflects the purchase stage of the buying process, and the two latter interaction types relate to the post-purchase stage, one making emphasis on the experiential factors of the product or service received, other on building the memories of the consumption experience, that can later affect beliefs, attitudes and intentions. Also, in relation to definitions of 'experience' presented above, these consumption interactions are echoing the second definition – perceptions of something personally encountered, lived through and noteworthy. However, at the same time, all of these interactions, and the latter in particular, can also provide knowledge for future decisions, which reflects the second definition of the term.

Currently, there are several suggested models on customer experience, sharing an idea that customers have the holistic approach to their journey with the company, and that the empirical research should be focused on this holistic process instead of studying the isolated elements of this journey (Lemke et al. 2011, 850). One of them is the study of Grewal, Levy and Kumar (2009), that examines the fragments of existing literature on retail experience, reviewing customer perceptions of price, promotion, merchandise, location, and supply chain. Also, Verhoef et al. (2009) review studies on brand experience, service experience and the social experience in retail environments, striving to bring these theories together to capture the holistic nature of customer experience. Lemke et al. (2011, 850) however argue, that the emphasis on the retailing makes empirical studies overly concentrate on communication and service encounters, and ignore the usage encounter,

---

[6] Original source: Arnould, E. J. – Price, L. L. – Zinkhan, G. (2002) *Consumers*. New York, NY: McGraw-Hill.

except the one happening in the store. In their newest study, as if answering the researchers concerns, Lemon and Verhoef (2016) conceptualise customer experience through customer journey, which allows the examination of communication, service and usage encounters both from the perspective of the customer and the company. A variety of definitions can be found on the term of customer experience, the most descriptive of them are presented in the Table 2.

Table 2   An overview of customer experience definitions

Articles	Definitions
Schmitt (1999, 57)	Customer experiences "provide sensory, emotional, cognitive, behavioural and relational values that replace functional values"
Ghose (2007, see Frow & Payne 2007, 90)	Customer experience can be defined as "the user's interpretation of his or her total interaction with the brand"
Meyer and Schwager (2007,118)	"Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company", "Customer experience encompasses every aspect of a company's offering – the quality of customer care, of course, but also advertising, packaging, product, service features, ease of use, and reliability"
Gentile, Spiller and Noci (2007, 397)	"The customer experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial physical and spiritual)."
Grewal, Levy and Kumar (2009, 1)	"Customer experience includes every point of contact at which the customer interacts with the business, product, or service"
Verhoef et al. (2009, 32)	"… Customer experience construct is holistic in nature and involves the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those elements which the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by elements that are outside of the retailer's control (e.g., influence of others, purpose of shopping). Additionally, we submit that the customer experience encompasses the total experience, including the search, purchase, consumption, and after-sale phases of the experience, and may involve multiple retail channels."
Grønholdt et al. (2015, 91)	"… the experiences include product and service experiences during the customer's product search in the pre-purchase phase (decision process), purchase phase, use and post-use phase."
Lemon and Verhoef (2016, 74)	"Customer experience is a multidimensional construct focusing on a customer's cognitive, emotional, behavioural, sensorial, and social responses to a firm's offerings during the customer's entire purchase journey", "a customer's 'journey' with a firm over time during the purchase cycle across multiple touchpoints."

From all the presented definitions of customer experience the following definition can be derived:

> *Customer experience is a multidimensional construct that describes the personal and unique mix of cognitive, emotional, behavioural, sensorial, and social responses to the sum of all direct and indirect interactions a customer has with a company and its brand, product and/or service, over the duration of their journey with that company across multiple touchpoints.*

Firstly, the notion, that customer experience is a mix of personal and unique responses, indicates that customer experience is unique to every customer and should be contextually interpreted. Additionally, experiences emerge independently from whether the company is planning on delivering them or not. They cannot be delivered solely by companies for customers – customer experiences are linked to the perceived value customer obtains during his/her encounters. (Vargo & Lusch 2008, 8; Helkkula, Kelleher & Pihlstrom 2012, 60.)

Secondly, the re-formulated definition mentions direct and indirect interactions with a company. The distinction between direct and indirect interactions is proposed from a value-creation perspective. In service marketing, direct interactions mean customer's "active and ongoing coordinated, dialogical process" with the company's resources, such as personnel, system or service scape. Indirect interactions, on other hand, refer to customers using or consuming company's offerings or interacting with company otherwise than taking part in company's processes. The value created by indirect interactions can be either the value-in-use or the value derived from the social processes happening around the brand but not directly with the involvement of the company. (Grönroos & Voima 2013, 142.) Thus, the experiences from the direct interactions happen mainly during service encounters and reflect reality aspects, while experiences from indirect interactions arise also during communication and usage encounters and participate in building expectations.

Communication, service and usage encounters mentioned earlier reflect customer's interactions with the brand, service and product. These connections can be seen in the Figure 5.
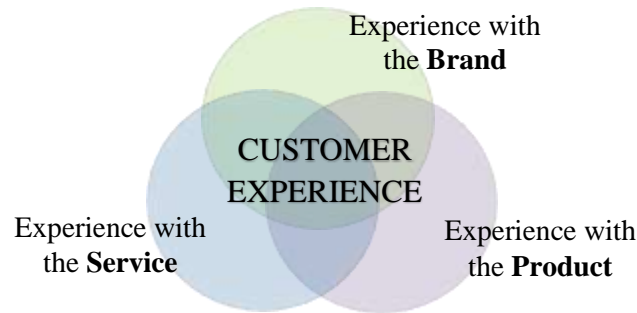
Figure 5   Customer experience definition in relation to brand, product, and service experience

The figure above illustrates, how experiences, different in their nature, construct a holistic concept of customer experience. For instance, in the context of furniture and interior design industry, customer's experience while visiting the retailer's web shop, using customer service chat, calling the shop to inquire about product availability, sitting on every attractive chair presented in the physical location and carrying a couch through shop's parking lot, is an experience with the *service*. Seeing advertisements in the magazines, reading customer reviews and celebrity endorsements, talking about friends' experiences with the company and remembering own prior experiences reflect an experience with the *brand*. Lastly, using the couch at home, washing its covers, showing it to friends that come by, and so on, are the examples of an experience with the *product*. These experiences intersect with one another and do not have defined borders, therefore combined, they form the holistic customer experience.

Finally, before proceeding to the next chapter, the relationship between the concept of customer experience and customer satisfaction must be addressed. Defined as an attitude adjustment happening after series of encounters with service or product, *satisfaction* shares a lot with the construct of customer experience. Yet, customer satisfaction by itself is unable to explain behavioural intentions, such as repeat purchase behaviour. The reason for that might be the emphasis of satisfaction metrics towards cognitive outcomes. Customer experience, however, considers not only cognitive, but also affective outcomes, and thus is more effective in explaining consumer behaviour. (Palmer 2010, 199.)

In some studies on service marketing, there can be noticed a slight ambiguity in the relationship between customer experience, expectations and satisfaction. The main reason for that is the duality of the term *experience* mentioned in the beginning of this chapter. Figure 6 helps to comprehend the different approaches to the relationship between customer experience and expectations.
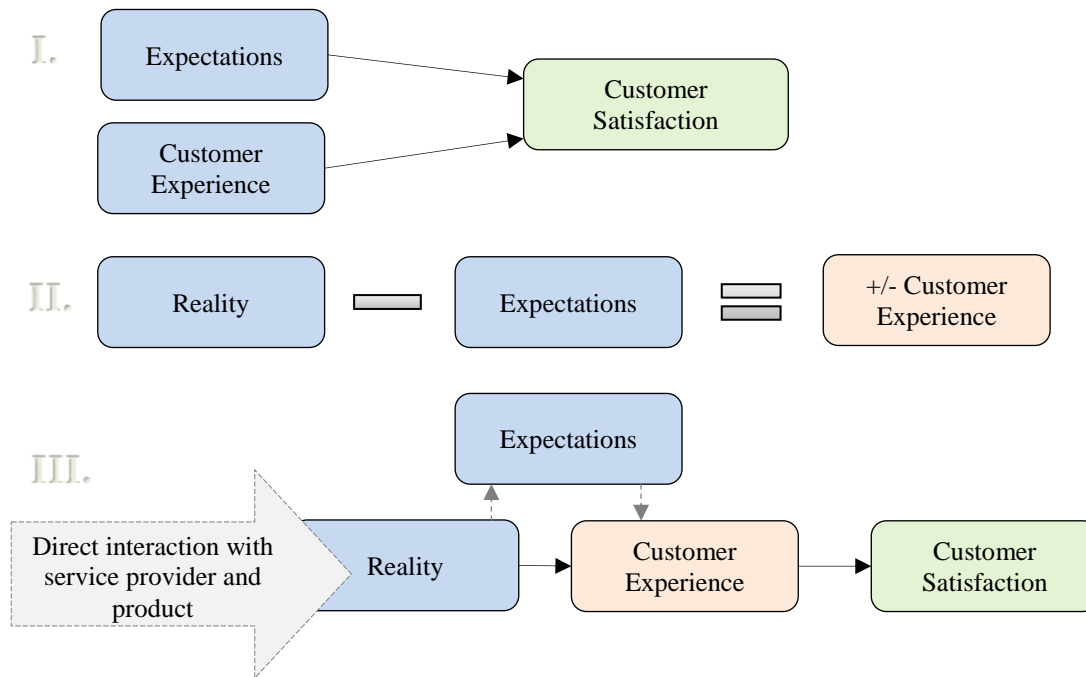
Figure 6   Different definitions of customer experience in relation to expectations

Getty and Thompson (1994, see Palmer 2010, 199) suggest that customer satisfaction is a state of mind of the consumer when his/her expectations get confirmed or disconfirmed after a specific service transaction or experience. In this case experience has a meaning of 'something happening' – experience customer has with the service as opposed to expectations customer has, which is illustrated in the first model (I) presented in the figure above. In this approach satisfaction is a post evaluation of consumer experiences compared to expectations – a positive feeling, indifference or a negative feeling (Devaraj, Fan & Kohli 2002, 318[7]). This approach, however, is outdated and unfit for use in customer experience research. The second model (II) presents the newer approach used in measuring customer experiences. This approach implies that experience can be satisfactory or unsatisfactory (Elliot & Fowell 2000, 326, 332; Puccinelli et al. 2009, 16), and is in fact a surplus of a perceived reality and customer expectations. The third model (III in Figure 6) represents how customer experience is viewed in this study. Customer experience is considered originating from both direct and indirect interactions with a company and its offerings, indirect interactions affect expectations, and direct interactions represent the actual perceived service customer is getting and his/her reactions to it. The border between perceived service and customer experience stays indistinct. The evaluation of customer experience, however, originates from comparing "customer's expectations and the stimuli coming from the interaction with the company and its offering in correspondence of the different moments of contact or touch-points" (Gentile et al. 2007, 397).

---

[7] Original source: Anderson, R. E. (1973) Consumer dissatisfaction: The effect of disconfirmed expectancy on perceived product performance. *Journal of Marketing Research (Pre-1986)*, Vol. 10 (1), 38.

Therefore, customer experience does not originate from expectations, but merely needs them to be evaluated or measured. Correspondently, customer satisfaction is only one of several behavioural outcomes of customer experience (Rose et al. 2012, 312).

2.2.2 Introducing the concept of customer buying experience

Since customer experiences occur while consumers search for products, shop for them, purchase them, receive service and consume them (Brakus, Schmitt & Zarantanello 2009, 52), the experience creation is tightly connected to the buying process discussed in the first chapters. While some research on customer experience focuses mainly on the retail environment during these interactions (see, for example, Novak et al. 2000; Bäckström & Johansson 2006; Rose et al. 2012; Möller & Herm 2013; Melis et al. 2015; Sachdeva & Goel 2015), there have been some attempts to study the dynamics of customer experience and to connect it to the buying process and customer journey (Puccinelli et al. 2009; Wolny & Charoensuksai 2014; Lemon & Verhoef 2016). Presented in Figure 7 is a process model of Lemon and Verhoef (2016, 76–80), who just recently introduced a comprehensive approach to customer experience viewed through customer journey concept.
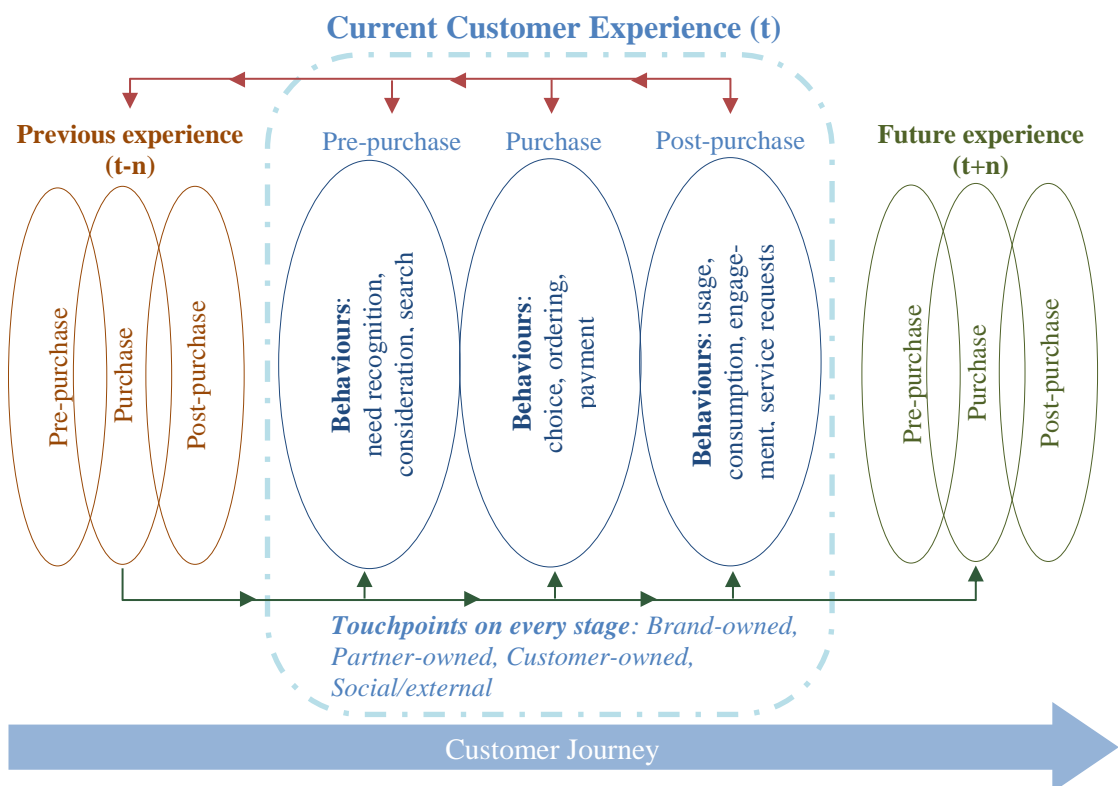
Figure 7   Process model for Customer Journey and Experience (adapted from Lemon & Verhoef 2016, 77)

Lemon and Verhoef's (2016) study aims to conceptualise the construct of customer experience as an iterative and dynamic process that flows from pre-purchase to purchase to post-purchase stages of the customer buying process, examined in Chapter 2.1. The continuity of the process is reflected in the model by considering previous and future experiences. Researchers note that companies should attempt to understand both customer's and business's perspectives of the purchase journey as well as identify key elements of different touchpoints in each stage. Additionally, the article emphasises the significance of company's ability to identify specific trigger points affecting customer's decision to continue or discontinue their purchase journey. These trigger points are arguably comparable to the factors affecting consumer channel choice summarised in Chapter 2.1.3 of this thesis.

In each stage of the buying process customers experience different touchpoints, which are only partially under company's control. Lemon and Verhoef (2016, 76–78) identify four types of customer touchpoints: (1) brand-owned, (2) partner-owned, (3) customer-owned, and (4) touchpoints that are social, external or independent both of customer's and of company's actions. Brand-owned touchpoints are designed, managed and controlled by the company. They include elements of the marketing mix that are under brand's control, such as attributes of product, its packaging and price, service and sales force, as well as brand-owned media, such as websites, advertising and different loyalty programs. According to researchers, there has been extensive research on how these factors affect sales and market share, as well as how brand-owned media messages can be incorporated in customer relationship management, but the experience effect of brand-owned touchpoints still stays unclear.

Similarly, the existing research concerning partner-owned touchpoints also overlooked the effect partners, such as marketing agencies, multichannel distribution partners, or communication channel partners, have on customer experience. Partner-owned touchpoints are jointly managed, designed and controlled by the company and its partners. This collaboration makes it difficult to recognise the borderline between brand-owned and partner-owned touchpoints. (Lemon & Verhoef 2016, 77.) For instance, furniture shops like Isku or Vepsäläinen sell both their own brands and partner brands, which means that communication, service and customer loyalty-enhancing actions are intertwined. Additionally, for the partner brands brand-owned touchpoints, such as attributes of a product, can be mixed with the partner's retail environment and appear different than expected.

Customer-owned touchpoints are actions customer takes during his/her journey and experience. These actions are not under control of the company or others, and the behaviour is based on the needs, desires, goals, rules of thumb or sometimes even unjustified concerns during the decision-making process. The most critical customer-owned touchpoints are during post-purchase, while using the product. Practices of customers actively participating in value co-creation have risen during past years with the help of internet

communities. Lemon and Verhoef (2016, 78) remind about the popular example of co-creation when customers used IKEA furniture and its parts in surprisingly new ways, prolonging and developing their post-purchase experiences with the company (www.ikeahackers.net).

Finally, social or external touchpoints describe the role of third parties, such as other customers, peers, independent information sources or environments, in experience creation. Social environment – from close social circles to the social media networks – considerably influences customer experiences through opinions, norms and personal examples. Researchers give a broader view on touchpoints, considering not only media channels, but channel partners, other customers, and contexts, which can appear as potential leverage points for companies trying to understand customer experience. Although companies can mainly influence only the touchpoints they have ownership of, the awareness of customer-initiated touchpoints is able to bring new insights in managing customer experiences. (Lemon & Verhoef 2016, 78.)

Researchers explain that the importance of each touchpoint to the customer may differ depending on the nature of the product or service (Lemon & Verhoef 2016, 76). Previously discussed product category influence on the retail channel prioritisation during buying process (Chapter 2.1.2) intersect with this notion on the basis of retail channels being brand or partner-owned touchpoints. Additionally, de Keyser's et al. (2015) study on multichannel customer segmentation, presented in the Chapter 2.2.2 of this thesis, also compliments Lemon and Verhoef's (2016, 76) position on identifying the most critical touchpoints on each stage for each customer, and determining how to influence them. Although every customer journey is unique, it is debatable whether company should approach each customer independently, therefore segmenting customers on their behaviour towards company-initiated touchpoints such as retail channels should prove beneficial.

The process model by Lemon and Verhoef (2016) is comprehensive and necessary for the deeper understanding of the customer experience concept. However, in the context of retailing, there should be a more manageable construct that reflects the dynamics of the customer buying process and at the same time describes experiences during interactions in different environments. Therefore, this paper suggests a new concept of *Customer Buying Experience*, which is a theoretical concept that is tailored specifically for the retailers in order to update the prevailing view on experiences created by static retail environments.

Customer buying experience is a descendant of customer experience previously defined as the result of both indirect and direct interactions during communication, service and usage encounters (Chapter 2.2.1). The focus of this construct is solely on direct interactions mainly during the service encounter with the retailer, as Figure 8 indicates.

Experience with
the Brand

CUSTOMER
EXPERIENCE

Experience
with the
Service

Experience
with the
Product

Experience with
retail service

**Customer Buying
Experience**

Customer Journey

Time
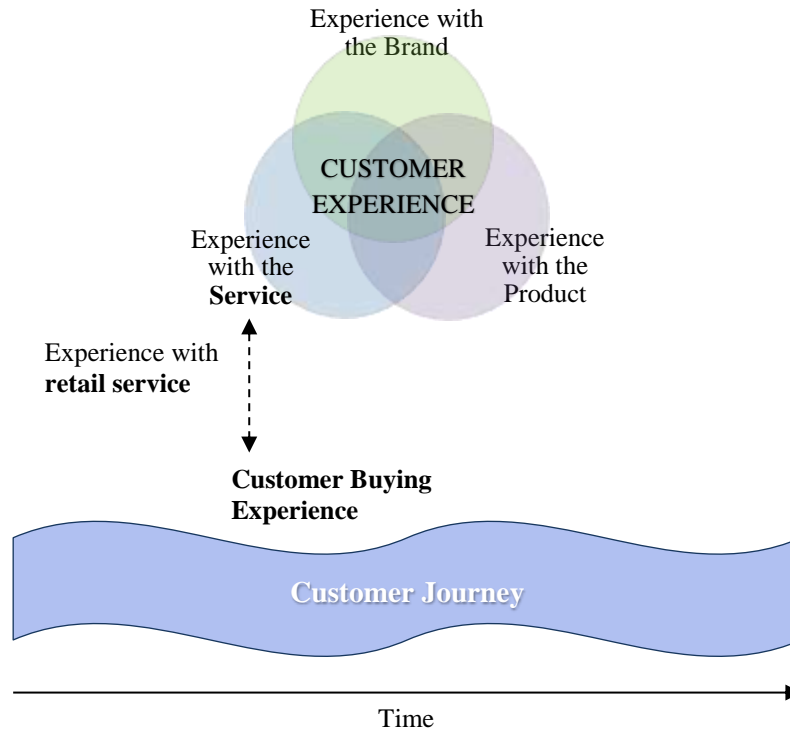
Figure 8   Customer buying experience definition in relation to customer experience
                definition

Additionally, customer buying experience considers direct customer interactions during all three stages of customer buying process. Other similar terms used in relation to experience in retail context are shopping experience (Baker et al. 2002; Ofir & Simonson 2007; Trevinal & Stenger 2014) and purchase experience (Schmitt & Zarantonello 2013, 30). However, the latter recognises only experiences during the second stage of the buying process including choice, ordering and payment, and former takes into account also the search stage both in physical and digital environments, but does not consider the post-purchase stage (Lemon & Verhoef 2016, 76). In retailing literature, shopping experience is studied from a broad experiential perspective that encompasses different environmental and social contexts and emphasises the recreational part of shopping (Trevinal & Stenger 2014, 314). Sensory aspects, emotions and other in-store experiences play an important role in shopping experience creation and have noticeable consequences on impulse buying and purchase intentions. For example, recent study on online shopping experience indicates, that it may be a strong predictor of online shopping intentions (Dai et al. 2014, 13). Furthermore, retailing literature displays a consensus on the retailing environment being a place that generates exceptional experiences and serves as a value creator by itself. (Trevinal & Stenger 2014, 314.)

However, both purchase and shopping experiences stop at the purchase phase of customer buying process and are mainly used in the context of sales or conversion effects. It

seems like in the existing literature these concepts are not considered as a part of continuous customer experience or a way to build long lasting relationships and customer loyalty. As customer loyalty is argued to be the result of outstanding customer experiences, this relationship should be addressed also in case of customer buying experience. Figure 9 illustrates, how the construct of customer buying experience can be seen as an antecedent of customer satisfaction and loyalty.
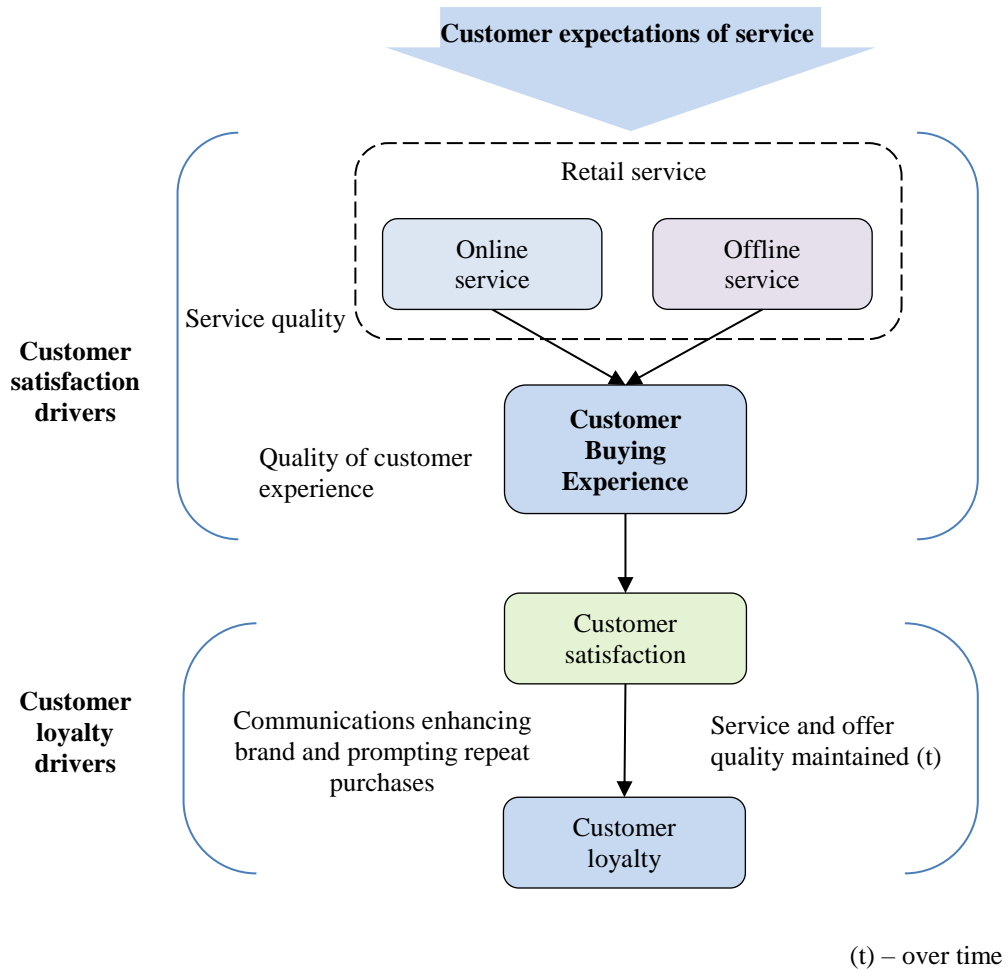
Figure 9   The relationship between service quality, customer buying experience, satisfaction and loyalty (adapted from Chaffey et al. 2006, 290)

As many researchers acknowledge, emotions and experiences during the pre-purchase, purchase and post-purchase stages of service encounter affect customer satisfaction and long-term behavioural intentions (Palmer 2010, 200). While interacting with click-and-brick retail service, customers encounter both online and offline environments, and together with expectations of the service, these encounters form customer buying experience. The customer satisfaction from these experiences depends on quality of the service provided, as well as quality of the experiences received. (Chaffey et al. 2006, 290–291.)

Service quality is an important aspect for understanding customer buying experiences in retail context. Literature on service quality focuses on measuring the elements of customer experience as well as describing and assessing the context in which experiences emerge (Lemon & Verhoef 2016, 72).

The popular model for measuring service quality, although extensively critiqued, is the SERVQUAL model (Kang & James 2004, 267). Its elements are as follows (Berry, Zeithaml & Parasuraman 1985, 45–46; O'Neill & Palmer 2003, 188):

- *Reliability* – "the ability to perform the promised service dependably and accurately",
- *Assurance* – "the knowledge and courtesy of employees and their ability to convey trust and confidence",
- *Tangibles* – "the appearance of physical facilities, equipment, personnel and communication materials",
- *Empathy* – "the provision of caring, individualized attention to customer", and
- *Responsiveness* – "the willingness to help customers and to provide prompt service".

However, service quality and its models are inadequate for measuring customer buying experiences in their whole. For example, perceived retail service quality describes how customers perceive the offline and online retail service initiated by and under control of the company, but fails to consider customer-owned and social/external touchpoints during service encounter, which are an important part of the customer buying experience creation, as will be discussed later (Lemon & Verhoef 2016, 76–78).

The Grönroos's (1988, 12) model portrays perceived service quality as the difference between *experienced service quality* and *expected service quality*. In this model, social and customer-owned touchpoints (in the form of word-of-mouth effect and customer needs) are presented only as indirect factors affecting *expected service quality*, together with the effect of marketing communications and company's image, but not as a part of experienced reality. Furthermore, it can be argued that the experience customers have in the retail setting with the service provider is much more, than the experienced service quality presented in the model can comprise. *Experienced service quality* is divided into functional and technical quality. The latter refers to the end result of a service and answers the question: what does customer get? In retail service that would be professional help in finding the right product for serving distinct customer need. Functional quality in its turn refers to the process of the service and describes the way service is executed. It answers the question: How the service is delivered and how do customers experience the buyer-seller interactions? It is subjective and can be used in creating a competitive advantage. (ibid, 11.)

Interestingly enough, the description of functional service quality reminds the definition of customer buying experience, if the retailer's actions are viewed as a service they

sell. However, it does not include the experiences independent of company's actions but still acquired during direct interactions. That is why service quality can be used in construction and evaluation of the company and partner-owned elements of customer buying experience, but cannot replace the concept. Moreover, although maintaining service quality over time can stimulate long-term satisfaction and customer loyalty (Chaffey et al. 2006, 290), without exceptional experiences it would be challenging.

At this point it is essential to note the other aspect of the Grönroos's model – the image of the company. According to the researcher, both technical and functional quality of the service are 'filtered' through provider's image. (Grönroos 1988, 12.) So, the brand of the retailer is in fact very difficult to separate from the actual experience customers get, because it affects not only customer expectations, but also takes part in forming of the experiences. For example, customer may forgive some mistakes made by the retailer, if its image is good and customer's trust in the fact, that retailer will make it right, is strong. If the same mistake was made by the retailer with weaker image, it would not be forgiven as easily and would affect customer experience of the service. Furthermore, the same elements of the retail environment can be interpreted in different ways. For instance, depending on the image of the furniture retailer, broad empty spaces in between the furniture displays may be interpreted as a 'stylish concept' or just as a scarcity of the assortment.

It is important to acknowledge, that despite the attempts to understand the elements and different factors affecting customer experiences, detaching experiences from attitudes towards the brand and brand image is both impossible and unnecessary. On the contrary, brand should be considered as one of the constructs of customer buying experience. That is why communications enhancing brand and prompting repeat purchases, are not only drivers of customer loyalty (Chaffey et al. 2006, 290), but also factors that affect customer buying experience. This statement is revisited in the next chapter.

In order to position the notion of customer buying experience among the findings of literature review, the complex relations between this term and surrounding concepts should be summarised. Figure 10 represents the holistic view on customer buying experience as a constituent of customer experience. In this figure, the previously presented model by Chaffey et al. (2006, 290) is combined with the understanding of customer experience relation to customer expectations explained in Figure 6. The construct of customer buying experience represents direct interactions with service provider illustrated in the third model (III) of Figure 6, and brand, product, and usage experiences are also represented as constructs of customer's perceptions of reality. Customer expectations, affected by previous experiences and satisfaction as well as company's communication efforts and external factors such as customer's goals, word-of-mouth, social environment etc., together with perceptions of reality, form the multidimensional construct of customer experience.
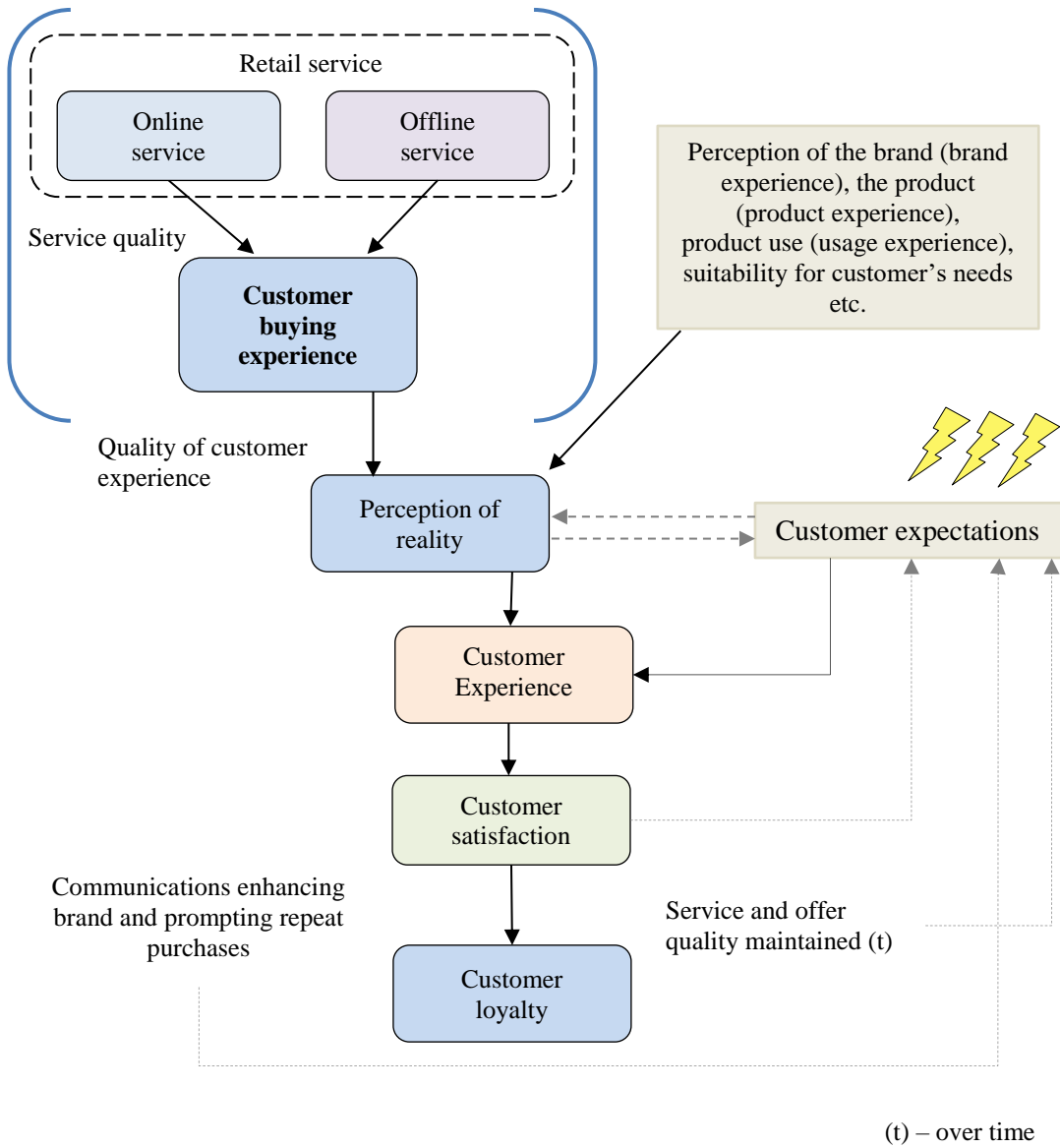
Figure 10   The holistic approach to customer experience definition and the constituents of customer experience

This model in the figure above gives a better insight into what place does customer buying experience take in customer's holistic relationship with a company and its offering in the context of this paper.

2.2.3   Creation of customer buying experience

This chapter aims at answering the second research question and giving an understanding of how customer buying experience forms in context of multichannel retailing. In the previous chapter customer buying experience was defined as

> *...a dynamic construct of customer's direct interactions with a retailer during service encounter across all three stages of customer buying process.*

Reflecting this definition and combining it with Lemon and Verhoef's process model (Figure 7) this paper suggests the following model of customer buying experience presented in Figure 11.
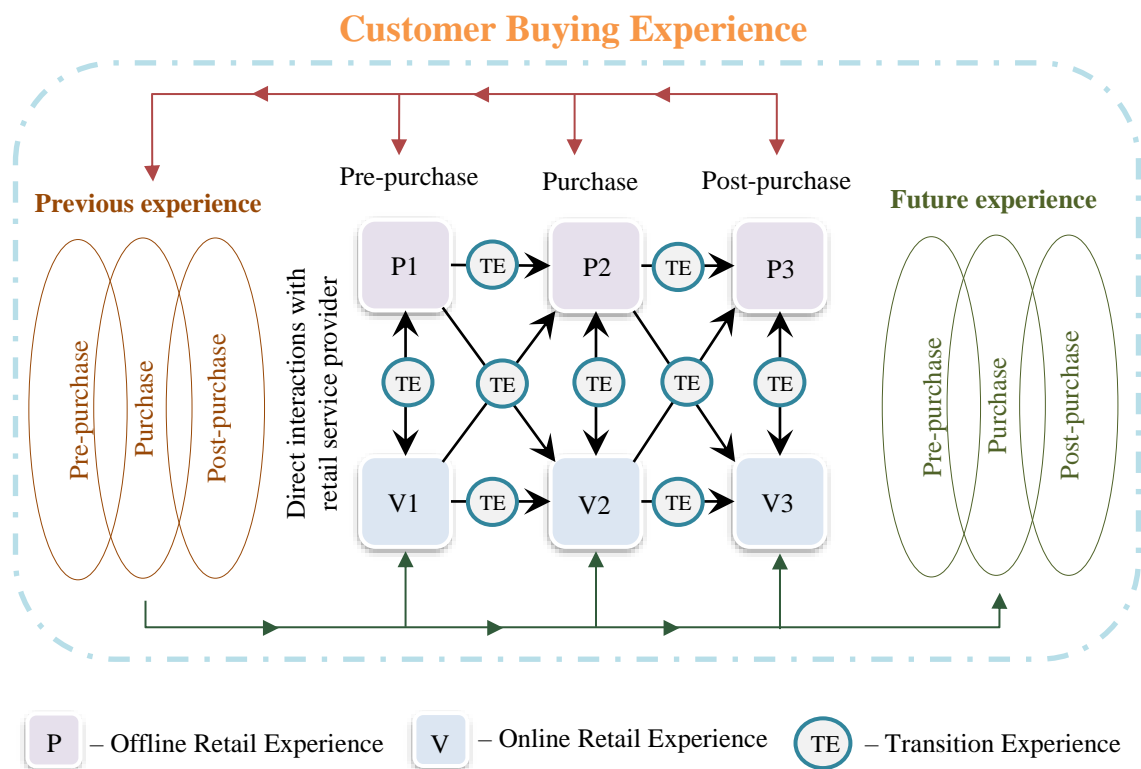
Figure 11   Dimensions of customer buying experience

The division of customer's direct interactions with the retail service provider in offline and online retail experiences during three stages of customer buying process may give a better understanding of how experiences emerge in each stage in both environments. In addition to dimensions that have already been discussed in the previous chapters, the model includes customer experiences that arise during transitions between physical and virtual retail channels (Transition Experience). These experiences are incorporated in the model to highlight the continuity of the customer buying experience during customer

journey (Chapter 2.1.3), and to avoid the mistake of considering only separate touch-points. The role of these transitions in formation of customer buying experience is addressed in more detail in the next chapter.

There are several ways to examine the nature of customer buying experience. Building upon the Schmitt's Strategic Experiential Modules (1999, 60–63) Gentile et al. (2007, 400) suggest six dimensions of customer experience with the emphasis on co-creation of value with the customer. The same dimensions can be used in context of customer buying experience in retailing environment.

First is the *Sensorial* component of customer experience. The stimulation of this component has an influence on the senses such as sight, hearing, touch, taste and smell. The aim of the offering is to provide sensory gratification, arouse excitement and aesthetical pleasure. (Gentile et al. 2007, 400.) In the context of retail, sensorial component of the buying experience is represented by the atmospherics of the environment as well as assortment presented there. Especially in furniture and interior design retail environments, the product category plays an important role in the buying experience creation – the feel of the fabrics, the smell of wooden furniture and different combinations of colours and lightning highlight the hedonic nature of the product category, and in addition to creating a pleasant experience might also stimulate the process of evaluation and choice. In virtual retail environment, it is more difficult to leverage this experiential component, as only limited visual and audio content can be conveyed through the existing technology.

Next is the *Emotional* component of the customer experience, which generates feelings, emotions and moods. This component is responsible for creating a deep, affective relationship with a company, brand or its products. (Gentile et al. 2007, 400.) In retail environment, retailer's brand and marketing communication make the most successful attempts to influence this component of customer experience. However, when talking about direct interactions with virtual or physical retail channel, some elements of atmospherics do not only gratify sensory needs, but cleverly executed also provoke emotions. Additionally, the attitudes and behaviour of the personnel, can also have an emotional impact on customers. In case of furniture and interior design shops, interactions with friendly personnel and appropriate service scape can provide such feelings as 'feeling at home' or pleasant nostalgia.

The third component is the *Cognitive* component. It is connected to conscious mental processes and problem solving mechanisms. (Gentile et al. 2007, 400.) When company offers services and products that encourage creative thinking during buying process, it gives another dimension to the experience delivered. For example, designing and planning tools incorporated in the furniture web shop together with the products this channel is selling will employ customer's cognitive potential and enhance his/her experience in the channel.

The next component is the *Pragmatic* component of customer experience, which refers to the experience gained by practical act of doing something. This includes the usability of the offering in all of the stages of the buying process as well as the functionality of the process. (Gentile et al. 2007, 400.) Considering customer buying experience, the pragmatic dimension of it would be the functional part of the process – the usability of the web shop, convenience of check-out process, finding a parking space in front of the physical store, ordering a delivery and dealing with customer service in the post-purchase stage.

The fifth dimension of customer experience is the *Lifestyle* component. While stimulated, it brings the affirmation of the system of values and beliefs the customer has. (Gentile et al. 2007, 400.) The offering or the service may provide such experience by reflecting and embodying those values and the lifestyle their customers share, mainly through the brand image, but in the case of retailer also through assortment and other company actions. Specifically, the concept of the retail environment, price and the level of technology used in the processes may reflect the customer's values and beliefs.

Finally, the *Relational* component includes the person, his/her idea of ideal self, social context and relationship with other people. A service or product that encourages joint consumption and experiences, facilitates creation of communities or affirms social identity of the client leverages this component. (Gentile et al. 2007, 400.) Although usually the relational component is mostly present during the communication encounter, service encounter can also provide relational experiences. Online retail environment can include customer reviews of the product and support other social actions, as sharing a picture of a product in social networks while shopping for it. Physical furniture stores are usually visited by families or couples, so facilitating exceptional social situations may support the relational component of the experience.

In their conceptual article on customer experience creation, Verhoef et al. (2009, 32) also consider different components of customer experience, but compress customer's responses to the actions of retailer in four dimensions: *cognitive*, *affective*, *social*, and *physical*. Here, the pragmatic and cognitive components suggested by Gentile et al (2007), are adapted to fit the cognitive dimension, emotional, sensorial and relational components are named as affective, physical and social accordingly, and the lifestyle component may be dispersed between social and affective dimensions in consistency with its definition.

Additionally, Verhoef et al. (2009, 32) propose a conceptual model of customer experience creation in retail setting. This model, illustrated in Figure 12, is also applicable to the definition of customer buying experience, as it mostly concentrates on the service encounter of customer experience, as Lemke et al (2011, 250) also confirm.
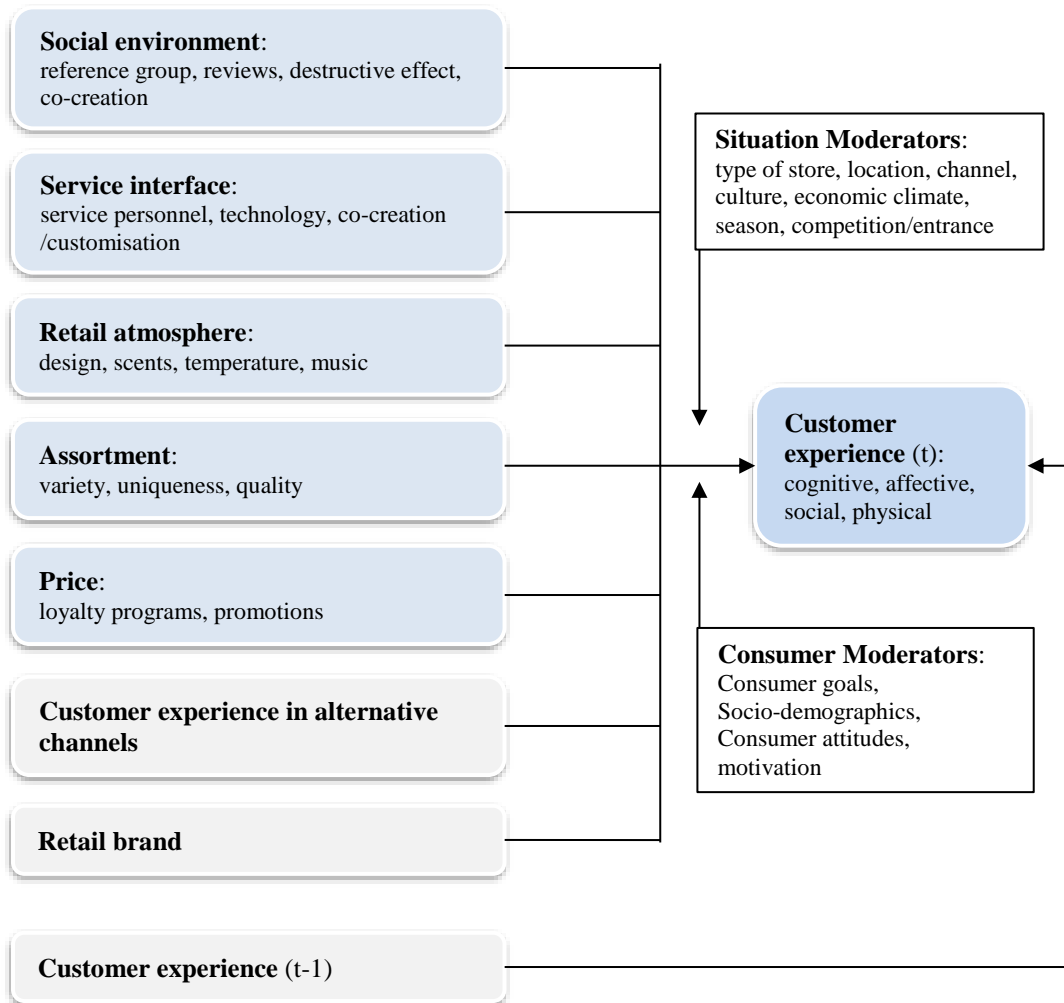
Figure 12   Conceptual model of customer experience creation (adapted from
              Verhoef et al. 2009, 32)

Researchers identify a number of determinants of customer experience, which include the social environment, the service interface, the retail atmosphere, the assortment and the price of the products as well as promotional actions of the retailer and the retailer's brand. Also customer experience in alternative channels of multi-channel environment plays an important role in experience formation in another channel. In other words, experiences in virtual and physical retail channels are co-dependent on one another, which should be taken into account by service provider. The dynamics of customer experience is tackled in this model by suggesting a component of past customer experiences at time *t*−1, that affects current customer experience at time *t*. (Verhoef et al. 2009, 33.)

One of the significant determinants of customer buying experience is *Social environment*. In the physical store, where there are multiple customers at the same time, the waiting time before the customer gets attention of the sales person busy with other customers can impact the experience. Furthermore, social circles, such as friends and family, partic-

ipating in the buying process affect both customer's own experiences as well as the experiences other customers have. In some cases the effect can be also positive. Knowledgeable customers may become a part of the retail service by helping out other clients, which can be also an example of value co-creation. Although fostering this behaviour may be rewarding for the company and may influence customer experience through providing useful knowledge, customer compatibility management is also something that should be considered. Grouping compatible customers together may result in new emotions, relationships and friendships, affecting the emotional, relational and lifestyle components of the experience, and additionally creating high switching costs for customers. In online environment, an example of customer-to-customer interactions in the context of direct interactions with the retail channel may be customer reviews and ratings of the products. (Verhoef et al 2009, 33–35; Trevinal & Stenger 2014, 316.) Other interactions, as blogs, chat rooms and social media, are considered as indirect interactions and are not applicable to the definition of customer buying experience.

Second factor affecting customer experience is *Service interface*. It includes service personnel and the systems retailer uses to perform its basic functions. The emergence of different technological solutions has altered the service interface both in online and offline channels. The possibilities of virtual shopping are growing fast, and technological innovations, such as self-service check-out counters or in-store 'virtual helpers', which, for example, can be noticed in IKEA stores, increase the technology-based self-service interactions in physical locations. Some studies suggest, that it is more beneficial to combine employee-based and self-service technology-based service options together. However, more research is required on what is an optimal blend of service personnel and technology, as well as how passive (e.g., price-sensing electronic device mounted in shopping cart) and active (e.g., self-service check-out counters) systems impact customer experience. (Verhoef et al 2009, 35–36; Trevinal & Stenger 2014, 316.) Service customisation is also something that became possible with the technology and increased data collection. Especially in the virtual environment, customised service solutions, such as personal cabinets, systems recognizing particular client during multiple sessions through 'cookies' or mobile applications, provide customers with possibilities to preserve information on products, preferences and prior actions. (Kim, Kim & Kandampully 2007, 868.) Customisation in online retailing may affect pragmatic and cognitive elements of customer experience, which might increase the number of customers coming back during search and evaluation stages of their buying processes. The relational component of customer experience may be also affected by customisation, as a customised service might create a feeling of special treatment. In addition, webstore interactivity, such as customer service chat, is also developing with the technology, which allows better service interactions in online retail environment and enhanced customer experience (Kim, et al. 2007, 870).

The customer experience determinant over which retailer has the most control is *Atmosphere* (Verhoef et al. 2009, 33). According to de Farias, Aguiar & Melo (2014, 88–92), who, in their article, gathered the wide knowledge on the retail atmosphere, the term is used to describe the conscious design of an environment with the goal to stimulate consumers and affect their experience evaluation and behaviour. There have been multiple studies proving the effects of colours, music, smell and temperature in the retail environment. For example, it has been studied that different colours may convey different symbolic meanings (e.g., red – love, passion, attention; yellow – sun, cheap; blue – honesty, clarity), and arouse different emotions (e.g., red – tense, aroused; yellow – happy, joyful; blue – calm, positive). Also, the 'right kind' of background music (e.g., by genre, speed, tonality) creates the desirable atmosphere and is proven to affect behaviours. In addition, both the smell of the object and the smell of the environment provoke feelings and trigger memories if compatible with product category sold. Technology nowadays allows artificial odours, and especially with the appearance of multichannel retailing it might prove beneficial for physical stores to affect senses that cannot be affected through virtual channels. The store atmosphere has an effect on consumer behaviour by drawing his/her attention, conveying messages and meanings and triggering specific emotions. (Verhoef et. al 2009, 33; Trevinal & Stenger 2014, 316; de Farias et al. 2014, 90–92.) Therefore, although stimuli provided by the retail atmosphere are mainly sensory, the experiences gained through them might be not only sensorial, but also emotional, cognitive, relational and connected to lifestyle.

Additionally, store design features, such as store layout and arrangement of merchandise, both in offline and online retail environments are an important part of the retail atmosphere and affect buying experience (Baker et al. 2002, 138–139). In web environment e-retail atmosphere includes website aesthetics, convenience and sufficient information about the products. Website aesthetics refer to multimedia features of the website and its concept. Same as visual cues in physical store, graphics, animation, music and video in online store affect customer experiences and stimulate customer satisfaction and loyalty to the provider. Convenience of the website includes characteristics of online store design that aid customers in saving time and effort of buying and interacting with the retailer online. These features include availability and accessibility of information as well as ease of navigation. Information in the online environment can be viewed both as the part of the service interface and as the part of atmosphere. All the physical characteristics of products and environment that is impossible to transmit through technology are evident in the form of written information. The quantity of information, referring to product availability, price and features, and the credibility of information, such as information about the company, are the two constructs affecting buying experiences, former directly and latter indirectly. (Kim et al. 2007, 867-871.)

Assortment is another significant determinant of customer buying experience. Depending on variety, uniqueness and quality of the products available in the retail channel, customer will perceive the service the certain way. Additionally, in the context of multichannel retail, the consistency of the assortment and assortment integration is something retailers should consider. Customer's need for structure and clarity may lead to negative experiences if inconsistency in assortment is perceived to be significant. (Emrich, Paul & Rudolph 2011, 326; Verhoef et al. 2009, 33.) Assortment also makes the retailer distinguishable and supports the concept of the store (Grewal et al. 2009, 6).

A significant part of customer buying experience depends on how the retailer sets the *Prices* (Verhoef et al. 2009, 33). If price is set too high, the quality of the service and the assortment should correspond, otherwise customer's expectations will not be met. If, on the other hand, the pricing is set too low, it conveys a meaning of products being low quality. (Grewal et al 2009, 5.) These factors are likely to affect the pragmatic, cognitive and lifestyle components of customer experience. The promotional actions of the retailer as well as loyalty programs, may also affect the relational component of customer experience as the relationship between the retailer and the customer evolves.

As was mentioned earlier, *brand* is inseparable from how customers perceive their experiences. According to Verhoef et al. (2009, 37), during the service encounter with the retailer customers carry perceptions about two types of brands: the retail brand (e.g., Vepsäläinen, Sotka, Isku, IKEA) and the manufacturer brand (e.g., Marimekko, Finlayson, Artek, Scandian, IKEA). Although both should be taken into account while studying customer experience with the retailer, latter affects experience mostly as a part of the assortment. Retailer brand, however, noticeably influences customer experience and consumer behaviour. There have been studies on how expectations stated prior to a service encounter affected the post-purchase evaluations of the shopping experiences with the firm, which implies that brand perceptions might have an effect on customer experience. Prior research also suggests, that a strong brand can allow company to raise prices. However, more studies are needed on the effects retailer's brand might have on the introduction of new technology in the service interface and on withstanding the perception of poor service. (Verhoef et al. 2009, 37.)

The model suggested by Verhoef et al. (2009, 32–33) also includes consumer and situational moderators. Situational moderators are such factors as the type of store (e.g., specialty vs. general), location (e.g., mall vs. city centre), channel (e.g., physical vs. virtual), time of the year, month, day (e.g., regular vs. holiday), economic climate, culture (e.g., masculinity, individualism), and competitive intensity, that have an impact on customer experience. (Kaltcheva & Weitz 2006, 115; Verhoef, Neslin & Vroomen 2007, 147–148; Verhoef et al. 2009, 33; de Farias et al. 2014, 93.)

Consumer moderators are customer-centred factors that moderate the effect of customer experience determinants. Such factors as customer demographics, innovativeness,

price sensitiveness, attitudes and level of involvement on the purchase determine if the elements of the model presented earlier will provide the desired customer experience (de Farias et al. 2014, 93). Also, the same environment may produce different feelings and experiences for customers depending on their goals. Two fundamental orientations of shopping goals and motivation are task-oriented (rational, utilitarian) and experiential (recreational, hedonic). The former refers to shopping out of necessity for products, services or information, and the latter suggests consumers getting satisfaction from the shopping process itself. These goals can be, for example, need for entertainment, recreation, social interaction or intellectual stimulation (Arnold & Reynolds 2003, 80–81). Also the shopping goals by Balasubramanianin et al. (2005, 13–14) discussed earlier in Chapter 2.1.2 do not only affect channel preference during need recognition, information search, evaluation, purchase, and post-purchase stages, but also moderate the experiences gained during these stages. For instance, a crowded store may be perceived as a stimulating environment for consumer that is seeking for social influence, but for consumer with purely economic goals it can create frustration. Same in the online environment – web store with the abundance of information may be a favourable solution for customers with goals of self-affirmation, but may not be aesthetically pleasant for customers with experiential goals. To sum up, consumer goals influence customer's perceptions of retail environment and its elements affecting his/her experience and behaviour across the stages of his/her buying process. (Kaltcheva & Weitz 2006, 115; Frow & Payne 2007, 91; Verhoef et al. 2009, 33; Puccinelli et al. 2009, 16; Grewal et al. 2009, 3; Nsairi 2012, 677–678.)

The behavioural impacts of customer buying experience in retail environments are, among others approach or avoidance of this environment. Approach means choosing the particular setting during specific phase of buying process as a result of pleasant experience. Avoidance, in its turn, means refraining from interacting with the environment due to unpleasant experiences. These behavioural outcomes stress the importance of post-purchase evaluation and prior experiences. (de Farias et al. 2014, 93.)

In addition to the holistic model of customer experience creation, proposed by Verhoef et al. (2009), there are different frameworks that can complement it, especially concerning experiences in virtual retail channel. One of them is the "conceptual framework of the online shopping experience" proposed by Trevinal and Stenger (2014, 318), who divide online shopping experience in four dimensions: *physical*, *ideological*, *pragmatic*, and *social* (cf. six components of customer experience by Gentile et al. 2007, 400). This framework is presented in the following table and the new insights brought by it are discussed further.

Table 3   Conceptual framework of the online shopping experience (OSE) (adapted from Trevinal and Stenger 2014, 318)

Dimensions	Components	Characteristics
Physical dimension	*Place and senses*	• Atmospherics (environment) • Loss of self-consciousness
	Time	• Time distortion • Time pressure/duration of experience
Ideological dimension	*Shopping values*	• Hedonic • Utilitarian
	Symbolism	• Symbols in consumption • Symbols in shopping
	Rituals	• Rituals in consumption • Rituals in shopping
Pragmatic dimension	*Acts and gestures*	• Shopping practices • Routines
	Appropriation of the environment	• Freedom • Control • Co-production
Social dimension	*Socialisation*	• Companions: friends, peers, family • Vendors

In addition to previously discussed aspects, Trevinal and Stenger's (2014, 316, 318) framework mentions the time distortion and time management element of customer buying experience online. Time is not experienced the same way in the online environment, especially during search stage of customer buying process. Describing this phenomenon, Hoffman and Novak (1996, see Hoffman & Novak 2009, 24) suggested a conceptual model of network navigation in online environments, which was built around the concept of *flow* – "the complete engagement with and immersion in activity". This model explores determinants of "compelling online experiences" (skill, challenge, interactivity, vividness, and motivation), the nature of a "compelling flow experience" (involvement, attention, telepresence, and flow), and the outcomes of these experiences. The flow is a seamless, inherently enjoyable and self-reinforcing state, which is accompanied by "a loss of self-consciousness" and time distortion (Novak et al. 2000, 24). For some customers operating in flow state even conducting product information search online may be transformed into an act of play because of the immersion into the process (Mathwick & Rigdon 2004, 329–331). In his study on influence of online flow elements on hedonic and utilitarian shopping experiences, Lim (2014, 298) found that such elements as arousal, challenge, and time distortion were significantly and positively related to hedonic online

shopping experience. At the same time such elements of flow as control, interactivity (speed), and skill were positively related to utilitarian online shopping experience. These findings suggest that the nature of consumer shopping goals discussed above might have an effect on the flow experience.

The results of Trevinal and Stenger's (2014, 318) study revealed that consumers do not pay attention to the safety and privacy guarantees of online retailer, but derive their perceptions of security from website design and aesthetics. Although the study highlighted the importance of online trust and perception of security and privacy, the user-friendly navigation and presentation of information were confirmed to be of higher importance. Also customers' political values, such as support of local employment or the value put to the human service encounter, play an important role in how customers perceive online environment comprising the ideological dimension of customer online shopping experience. In addition, the findings support such patronage routines as bookmarking the favourite sites, searching the names of the products, brands and retailers through search engines, opening different tabs during price comparison and so on. Also such online routine behaviours as collecting products in shopping cart to return to them later or to select products for comparison may be frequently observed in the online retail environment and can be an example of the appropriation of the environment and the pragmatic dimension of online shopping experience.

There can also be found a study on the multichannel buying process of the household furniture conducted by Lihra and Graf (2007, 158). Although the study itself focuses mainly on the communication encounter of customer experience, some insights of this study may aid our understanding of customer buying experience and the service encounter in furniture and interior design retail industry. Specifically, researchers establish that virtual retail channel was considered too limited for furniture shopping. They propose that in order to increase the use of online retail channel there should be secure payment services and abundant information that is updated frequently, is user-friendly and appropriate to the offering. Researchers also note the significance of sensory elements in furniture buying, stress the importance of showrooms and samples, and dispute customer readiness for virtual shopping. This study also indicates, that women are the leading demographics when it comes to furniture shopping, and advocates physical and virtual store design in accordance to this target group.

As the proposed model of customer buying experience dimensions (Figure 11) suggests, customer buying experience consists of experiences with online and offline retail environments. That means that the quality of these experiences affect the evaluation of overall customer buying experience. By customer experience quality Lemke et al. (2011, 847) mean customer's "perceived judgement about the excellence or superiority of the customer experience". Researchers propose the "conceptual model of customer experience quality" (idem, 859), which is developed based on the article by Payne, Storbacka

and Frow (2008, 90), who make a distinction between the *communication* encounter, the *service* encounter and the *usage* encounter. Lemke et al.'s (2011) model also incorporates the moderating effect of *experience context*, including the hedonism of product category, the level of customer involvement, product complexity and relationality, and consider *value-in-use* and *relationship outcomes*, such as purchase, customer retention and commitment, and word-of-mouth. The communication encounter includes communication and relationship customer has with the company, while the usage encounter refers to relationships with other customers and social impact interactions with the company have on the consumer.

While customer buying experience refers mainly to the interactions with the retail service, the more detailed exploration of the service encounter dimension of the customer experience is needed. Therefore, the part of the model proposed by Lemke et al. (2011, 859–860) considering the service encounter is of the most importance to this paper. The three categories of service encounter proposed by researchers are mainly based on the literature on product and service quality and are (1) product quality, (2) service quality and (3) network quality. Product quality includes such components as "*Variety and choice*" of the products, as well as "*Value for money*", which are referred to as "assortment" and "price" respectively in Verhoef et al.'s (2009, 32) model. The Service quality category includes elements which are related to the SERVQUAL model described earlier, as well as other studies on the online and offline retail environment. It comprises of:

- *Accessibility* (cf. accessibility and flexibility Grönroos 1988, 13),
- *Value for time* (cf. responsiveness SERVQUAL),
- *Caring – attitude* (cf. empathy SERVQUAL),
- *Caring – procedures* (cf. assurance SERVQUAL),
- *Reliability* (cf. SERVQUAL),
- *Atmosphere* (cf. Verhoef et al. 2009, 32; tangibles SERVQUAL),
- *Application of knowledge* (cf. cognitive component, Gentile et al. 2007, 400),
- *Personalisation* (cf. service interface, Verhoef et al. 2009, 32).

Finally, the Network quality category is "the extent to which the company brings to bear appropriate competences from its internal and external networks". According to researchers, this category is mostly evident in B2B interactions. (Lemke et al. 2011, 860.)

To complete the picture of customer experience quality in online retail channel, the concept of e-service quality should be acknowledged as a significant element of online experience quality. Ladhari (2010, 472–473) argues, that SERVQUAL model is unable to consider all the characteristics of online environment. Hence, he proposes a model comprised of six e-service criteria: (1) reliability/fulfilment, (2) responsiveness, (3) ease of use/usability, (4) privacy/security, (5) web design and (6) information quality/content. The elements of this e-service quality model have a lot in common with the determinants

of online retail experience discussed above. The components that did not get enough attention previously are the usability of the web site, which refers to 'user-friendliness' of the online environment, especially during the search stage, the perceived privacy of the personal data, which is important due to perceived risk of the financial loss and fraud in the virtual environment (Parasuraman, Zeithaml & Malhotra 2005, 219), and the perceived value of the presented information, which is measured by its comprehensiveness, accuracy, sufficiency, relevance, uniqueness and timeliness.

These studies on experience and service quality, together with previously examined literature, allow the speculation that the quality of customer experience in the physical retail channel and in the virtual retail channel will both affect each other as well as the whole customer buying experience. However, "it is critical to recognize that a customer experience is not limited to the customer's interaction in the store alone" (Verhoef et al. 2009, 37). Experiences are dynamic and evolve over time during search, purchase and after-sales stages (Neslin et al. 2006, 97) and throughout multiple cycles of buying processes. Hence, it is fair to speculate, that there are differences in determinants of customer experience on different stages of buying process, which once more justifies the need for the customer buying experience construct.

2.3   Channel integration and transition fluency

Although both physical and virtual retail channel usually belong to the same click-and-mortar retailer, the characteristics of these environments are substantially different, hence it is logical to study the experiences emerging in these channels separately. However, Berry, Carbone and Haeckel (2002, 88) stress that "organizations that simply tweak design elements or focus on the customer experience in isolated pockets of their business will be disappointed in the results". Establishing their expectations on the brand image, consumers perceive services provided by both retail channels as whole. In addition, they may see transitions between channels as a part of the service experience and therefore evaluate similarly to other elements of customer buying experience.

This final chapter addresses the least studied components of customer buying experience: customer transitions from one retail channel to another during customer buying process (Figure 11). It explores the quality of integrated service process as well as the topic of multichannel integration and omnichannel strategies. Additionally, different types of transitions (during the same stage of buying process vs between stages of buying process) are addressed and examined in the light of consumer shopping goals and other customer experience moderators.

2.3.1   Channel integration: omnichannel strategies

The academic research concerning customer experiences in multichannel environment during transitions is very limited. The most relevant studies on this topic consider channel integration and its outcomes from the perspective of strategic marketing. For example, Bendoly et al. (2005, 323–324) study focuses on consumer's movements between channels in the context of the same company. The results suggest, that stronger perceived integration between online and offline channels leads to customer retention and loyalty. However, there are no results concerning the effect channel integration might have on perceived value or customer experience.

Chen, Ching and Tsou (2009, 1225) have, in turn, studied the impact multichannel store image may have on purchase intentions. The results reveal that consumers perceive multichannel store image as a tool for decreasing perceived risks associated both with physical and virtual environments, multiplying value by increasing awareness of competing products, services and prices, and obtaining essential information for their decision making. Additionally, from the six studied dimensions of multichannel store image, only four seem to affect purchase intentions: perceived financial concern, psychosocial concern, time and convenience, and usefulness.

For instance, such factors as price that is too high in relation to quality or inability to solve performance problems are financial concerns and refer to the value of a product. These risks can be avoided by having sufficient information, which is easier to access through virtual retail channel. Risks related to time and convenience are usually mitigated through the inquiries in web shop. In this case, online retail channel benefits the offline channel by leading customers to the physical location. For example, it can offer personalised maps and directions from the chosen address. Issues that emerge during post-purchase phase, such as return or exchange of a product, can be solved in both channels. The dimension of usefulness considers the access to essential information that supports customer buying process. The information may concern service personnel, products, availability, as well as other customers' ratings and reviews. The psychosocial risks might emerge, if consumers are not sure about the influence of the product or the service on their self-image. The personnel of the physical channel are able to assure the customer in his/her choice during purchase and post-purchase stages. On the other hand, virtual channel can more easily produce the lasting impression of ownership through videos and virtual showrooms. (Chen et al. 2009, 1225–1226.)

Physical dimension and trust do not appear to be decisive factors in customers' intentions to buy. Consumers may overcome such physical risks as concerns over sufficient assortment with the help of product and availability information by being able to weigh the alternatives and make a deliberate choice. Hence, physical dimension is not critical in forming of purchase intentions, when customers have more than one retail channel and

many shopping paths. The concept of trust is usually connected to Internet environment, as it was mentioned earlier. However, as multichannel environment provides multiple touchpoints with customers along their buying process, trust related risks decreases. (Chen et al. 2009, 1226.) The effect multichannel synergies have on the determinants of purchase intentions suggest that analogous effect can be expected in the case of customer experience determinants, which is yet to be studied.

A considerable amount of time may pass between stages of buying process, especially if search and evaluation are conducted in virtual channel, and purchase or post-purchase actions in physical store. That is when the experience in the virtual channel may become the remembered experience (Arnould, Price & Zinkhan 2004, 347). Usually customer's memories of their experiences base both on the peak moment of the experience and on the last interaction (Kahneman et al. 1993, 403). Therefore, if a customer has positive experiences in the store or in the web shop, but at the end of the interaction something goes wrong, he/she might have a negative impression from overall experience and vice versa. An illustrative example could be a customer with positive experiences in the physical store ruined by his/her attempts of exiting the crowded parking lot. (Dholakia et al. 2010, 92.) Hence, it is important to ensure that customer's last interaction with the channel before transition to the other channel is positive. Then this positive experience will last in customer's memory and he/she will with greater probability continue his/her journey with the same retailer.

As was discussed in previous chapters, service quality is an important part of customer buying experience. Seck and Philippe (2013) have studied service quality and satisfaction in the context of multichannel service. According to the researchers, consumer's overall satisfaction from the multichannel environment depends on sequential experiences in all the channels used during customer's journey. The researchers advocate that customer experiences of the service might be affected by the channel integration. Channel integration in the context of this paper means simultaneous and consistent use of online and offline retail channels in a way that experiences customers have while transitioning from one channel to another during their buying process are seamless (Goersch 2002, see Seck & Philippe 2013, 569). When retail channels are integrated, consumer may easily move from one channel to another and have an uninterrupted experience with the retailer. (Seck & Philippe 2013, 569–570.)

In addition, Seck and Philippe (2013, 575) prove that in multichannel context the service quality of each channel affects the overall satisfaction. Hence, customer satisfaction of click-and-mortar retail service depends on quality of service in each channel. Furthermore, the researchers establish that the quality of virtual service positively affects the physical service quality. Lastly, it is noted that the quality of multichannel integration and the seamlessness of the customer experience have considerable positive effect on customer satisfaction. The findings of this study are illustrated in Figure 13.
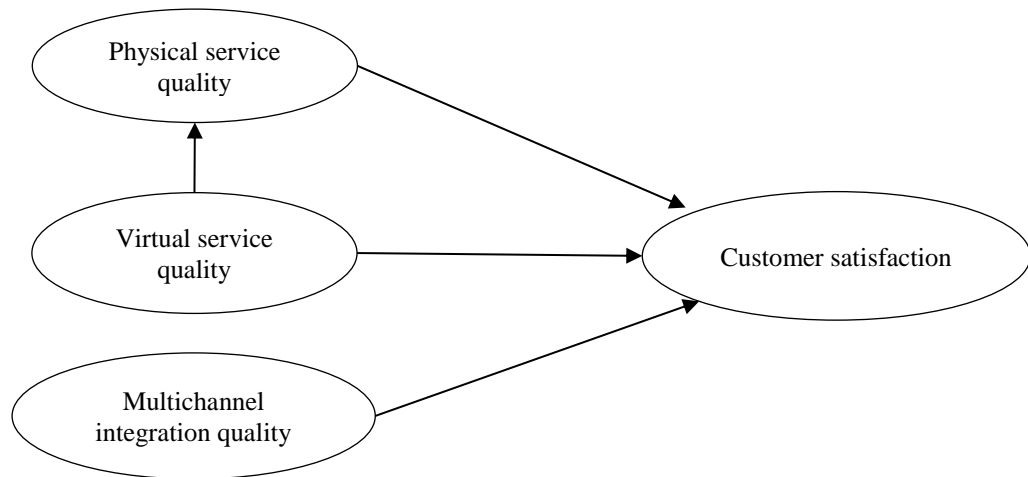
Figure 13   Service quality and customer satisfaction in multichannel context (Seck
              & Philippe 2013, 570)

In case of multichannel service, inconsistency in perceived quality between the channels may weaken customer trust towards the service provider. Customers that interact with the company through several touchpoints compare their experiences across the channels, which forms their judgment on the service quality and may affect their buying experiences. (Liao, Yen & Li 2011, 458–459.) The consistency of the retailer's image is also significant to the fluency of customer experience. This consistency may be achieved by joint communications, as well as supporting promotion and loyalty campaigns in both virtual and physical retail channels. (Schoenbachler & Gordon 2002, 46–47.)

In addition to previous points, the study performed by Accenture in 2013 reports on the capabilities of companies, who proved to deliver valued customer experiences to their clients. These capabilities are known as the "customer-driven digital blueprint", and one of them is the ability to provide seamless experience. Enabling fluent customer transitions across different channels following every possible path requires multichannel strategies and integration of the information and processes. (Accenture 2013, 7.)

Based on the previously reviewed studies it is evident that channel integration and multichannel synergies are the most significant factor in creating fluent transition experiences. Steinfield (2002, 3–4) studies multichannel synergies and his findings suggest that if virtual and physical channels can utilise common infrastructures, operations, marketing, and customers "in a coordinated fashion", it can benefit both the company and the customers. The researcher also comments on an important aspect of channel conflict. In Steinfield's (2002, 4) words, "channel conflicts can occur when the alternative means of reaching customers (e.g. a Web-based store) implicitly or explicitly competes with or bypasses the existing physical channels". In order to avoid these conflicts, company should consider aligning its goals across both virtual and physical channels as well as developing necessary mechanisms of coordination and control. These mechanisms may

include "interoperability across channels" for customers to operate freely between channels, providing the sufficient information about the alternative channel, "cross-channel cooperation", and utilising "the unique strengths of each channel" in customer service.

The differences between channels in terms of benefits and costs make one channel more suitable for particular stage of buying process than the other. However, these differences are diminishing due to channel integration and technology development that also affect consumer channel preferences across different purchase stages. Additionally, mobile technology creates new challenges and opportunities for the retailer. Mobile devices, such as smartphones and tablets, are a mix between virtual and physical channels of retail environment, as they can both be used for accessing retailer's web shop, and as an in-store technology (e.g. QR-code reader, geolocation, Mobile pay etc.) supporting offline retail experience. The mobile channel may interfere with existing channels, but may also support them. In both cases, the mobility and interface of this new channel appear to have considerable impact on customer journey and buying experiences. (Piotrowicz & Cuthbertson 2014, 8; Lemon & Verhoef 2016, 80.)

With the emerging mobile and big data technologies, which allow for unprecedented personalisation and price optimisation, customers' experiences with companies are becoming more seamless than ever. In addition, the growing use of such in-store technologies as self-service interfaces, which were mentioned earlier, as well as digital signage, virtual screens and fitting rooms, and emerging technologies such as Google Glass, 3D printing and scanning, erase borders between virtual and physical channels. Customers, on the other hand, are constantly staying connected to the different mediums of online environment and have access to any information anywhere and anytime. This behaviour encourages retailers "to remove barriers within the channels and provide cross-channel services such as 'click and collect', 'order in-store, deliver home', 'order online, return to store', 'showrooms', and other combinations of online and traditional retail activities" (Piotrowicz & Cuthbertson 2014, 8).

To reflect this change there has been proposed the new concept of *omnichannel* retailing, which is said to be the evolution of the multichannel concept. While concept of multichannel retailing only considers retail channels and service interactions between the customer and the retailer, the definition of omnichannel environment is broader and includes multiple channels, mediums and points of interaction. In omnichannel environment customers can freely move between the web store, mobile devices, and physical store during their buying process, building the relationship with the brand. This notion supports the previous statement of consistency in the company's image across the channels, as in omnichannel retailing all the channels are managed jointly perceived as a whole by customers. The majority of channels comprising omnichannel environment are essentially media channels, as the exchange happening there is solely informational. Such channels include social media channels, mobile applications and even gaming. Customers switch across

these channels and devices, and regardless of that they expect a seamless and unified customer experience. Ultimately, the omnichannel concept is broadening the scope of channels and exploring customer-brand-retailer relationships. (Piotrowicz & Cuthbertson 2014, 6; Verhoef, Kannan & Inman 2015, 174.)

In order to avoid confusion, this paper refers to the channels of omnichannel environment that are not used for transactions as 'media channels', or 'communication channels'. Although there is no doubt that the notion of omnichannel supports the holistic concept of customer experience and customer journey, the focus on multichannel environment may be more suitable while studying customer buying experiences. This paper disputes the view that the new concept of omnichannel is a replacement of multichannel retailing. In fact, both concepts may support each other. Omnichannel can be viewed as

> *… an integration strategy for multiple retail channels and media channels with the goal of providing seamless experiences and building long-lasting relationships with the customers.*

Companies can benefit from the omnichannel environment by providing customers with seamless experiences during and between their interactions with retail channels with the help of mobile-optimised web shops and applications, in-store technology and Wi-Fi networks (Verhoef et al. 2015, 174). However, additional research is required on whether these actions actually enhance customer buying experience, or merely serve as factors in forming customers' image of the company and their expectations.

Hence, the following points can be derived from the literature on the topic of transition experiences. While interacting with click-and-mortar retailer customers expect unified and uninterrupted customer experience, which implies smooth transitions between channels across stages of customer buying process. The elements of fluent 'transition experience' are the consistency in company's image and service quality over time and across channels, personalisation of the service, customisation of the customer journey, and seamlessness of the experiences. This can be achieved by integrating channels through information and technology and implementing retail channel strategies that either allow customers to use multiple retail channels for multiple purposes or lead them to follow specific paths. Customer experience during transitions may be moderated by factors affecting channel choice, customer's acceptance of the technology, and amount of time passed between interactions and stages of buying process.

Based on previous research, it can be speculated, that fluent transitions between channels during customer buying process have an important role in forming of customer buying experience. However, more research is required on this topic.

2.3.2 Conceptual framework

The extended literature review executed in previous chapters can serve as a base for conceptualisation of customer buying experience and exploration of its constituents. Figure 14 summarises the previous research on the topic combining research on the shopping and retail experience in offline and online environments, determinants and moderators of customer experience as well as the dimensions of customer experience and studies on multichannel retailing and channel integration.

Green boxes in the left represent customer experience determinants that are present both in virtual and physical retail channels. Blue boxes, containing *flow and usability*, *information* and *security and privacy*, represent the factors affecting mainly online retail experience. Violet box under the *Retail atmosphere* -element emphasises the new *experiential role* gained by physical store with emergence of virtual retail channels. The aquamarine-coloured box illustrates the main determinant found to affect transitions between channels: the *channel integration strategy* of the company and how *consistent*, *personalised*, *customised* and *seamless* the transitions are perceived to be. Light grey boxes in the lower left corner represent the dynamics of customer buying experience by stressing the importance of remembered *experience in the alternative channel* as well as generally *past experiences* with the company. All these determinants are filtered through the brand image of the retailer to comprise customer buying experience, which is demonstrated to be a part of customer journey. Additionally, the Gentile et al.'s (2007) dimensions of customer experience are illustrated as coloured sections in the background of customer buying experience, including *sensorial*, *emotional*, *cognitive, pragmatic, relational* and *lifestyle* components.

Lastly, the possible moderators of customer buying experience are presented in the upper part of the model. They are divided in consumer moderators, situation moderators and other potential experience moderators derived from the literature review. These factors are not the components of customer buying experience, but are believed to affect the process and its evaluation. The proposed framework allows to construct further empirical research on the topic of formation of customer buying experience and the role of channel-to-channel transitions during customer journey.

Consumer Moderators:
Consumer goals & rituals,
Socio-demographics,
Consumer attitudes/
perceived risks
Level of involvement

Other Moderators:
Product category
Amount of time passed
between interactions
Stage of buying process

Situation Moderators:
Type of store, Location,
Channel, Culture,
Economic climate,
Season, Competition

Social environment:
reference group, reviews, destructive effect, co-creation

Service interface:
technology, co-creation, service personnel and service quality: empathy, assurance, responsiveness, reliability, flexibility, customisation

Flow & Usability

Information

Security and privacy

Retail atmosphere:
design, multimedia, accessibility

Experiential role of physical store
Showroom: scents, temperature, physical cues and sensory experiences

Assortment:
variety, uniqueness, quality, brands

Price:
loyalty programs, promotions, value for money

Channel integration strategy:
Consistency, Customisation, Personalisation, Seamlessness

Experience in alternative channels

Past customer experience

RETAILER'S IMAGE

Customer Buying Experience

Offline Retail Experience

Online Retail Experience

Transition Experience

Customer journey

sensorial
emotional
cognitive
pragmatic
relational
lifestyle
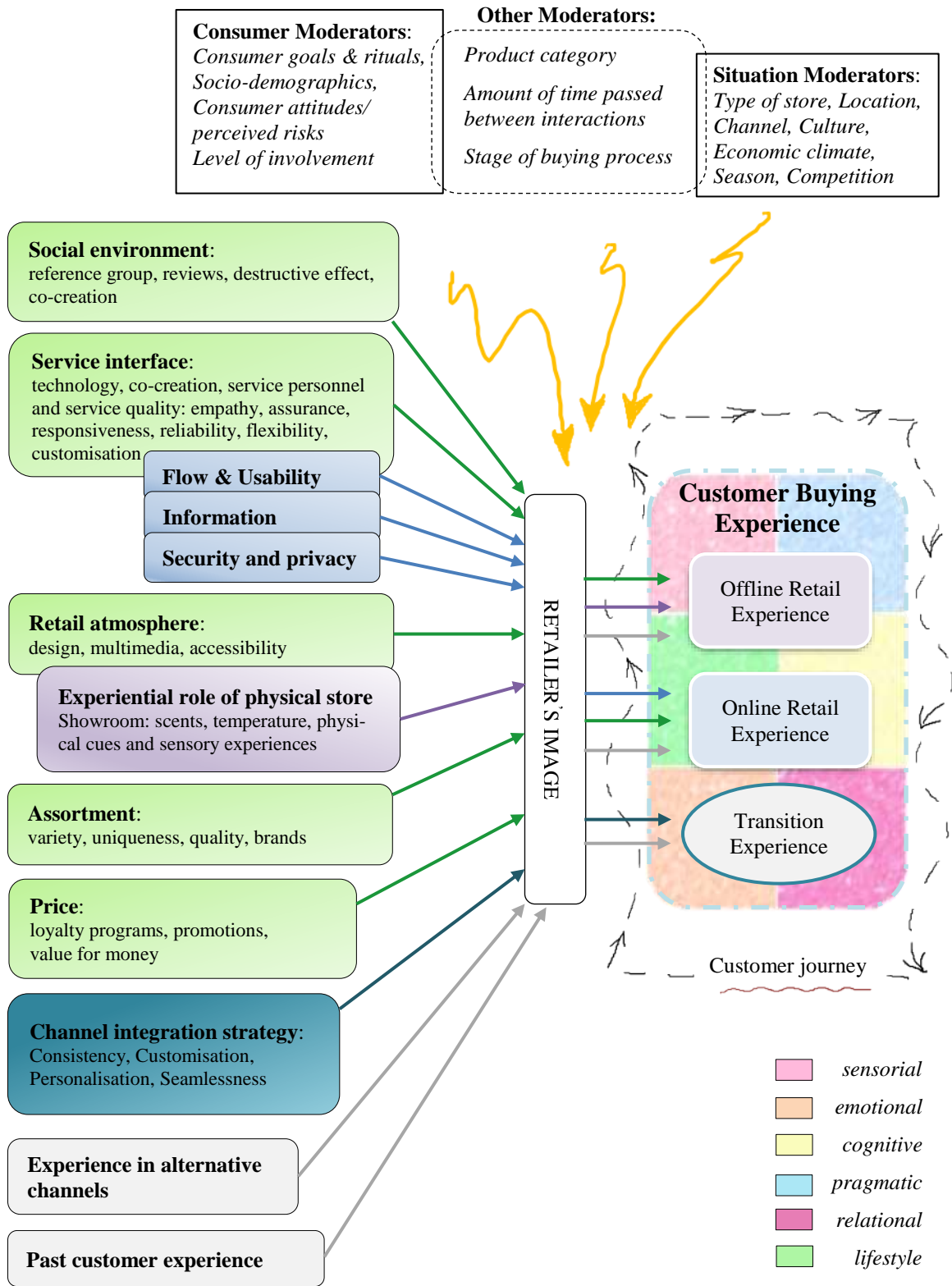
Figure 14   The conceptual framework on the components and dimensions of customer buying experience

3 RESEARCH METHODOLOGY

This chapter describes the methodology of the empirical research conducted within the limits of this thesis. First, the research approach and qualitative methodology are introduced, and data collection and analysis methods are discussed. Next, two data collection methods used in this study are described in more detail. Lastly, the reliability, credibility and trustworthiness of this study are addressed.

3.1 Descriptive qualitative approach to customer buying experience exploration

Since the aim of this study is to explore how customer buying experience is formed in a multichannel environment and find out the factors that affect customer's transitions from channel to channel during customer buying process it is sensible to use the descriptive qualitative approach. Qualitative approach allows to get the understanding of customer's perspective on customer buying experience and insights on how multichannel environment affects their perceptions of interactions with the company. In addition, qualitative research is the traditional way to question, develop and explore the concepts of shopping experiences (Trevinal & Stenger 2014, 317–318). Also, according to Palmer (2010, 196) "the multi-dimensional, situation-specific nature of customer experience favours qualitative rather than quantitative measurement approaches".

Qualitative approach can be used in the situations, when there is not enough information on the topic, either due to the novelty of the topic or the incomplete findings. Also, qualitative research is used, when the nature of the topic is tightly connected to psychological, subconscious or cultural matters, which are impossible to explore through quantitative methods. Lastly, this approach is suitable, if the primary purpose of the study is to create a new model or to develop a new concept that can in the future be tested with quantitative research. (Hair et al. 2016, 296.) The empirical goal of this study is to support, develop and expand the conceptual model created in the theory chapters. Therefore, the nature of qualitative research allows for deeper and more thorough analysis and supports this goal (Eskola & Suoranta 1998, 18).

The philosophical approach of this research is subjectivism, which means that this study is based on subjective empirical evidence and interpretive analysis. The position of this paper is that there is no access beyond the limits of our own observations and interpretations (Eriksson & Kovalainen 2008, 14), and therefore this study does not claim to be objective, neither statistically generalised. The study strives to follow the iterative pro-

cess of abduction, which is explained as a "process of moving from the everyday descriptions and meanings given by people, to categories and concepts", and allows for a better understanding of the surrounding phenomena (Eriksson & Kovalainen 2008, 23).

3.1.1 Data collection methods

Customer experience is a considerably intangible topic and has both hedonic and utilitarian aspects to it. This research explores consumer discourses by using two data collection methods: individual interviews and focus group discussions to see, if either method gives better insights on the topic or if both complement each other.

Interviewing is one of three major data collection strategies in qualitative research, other two being observation and document analysis (Eriksson & Kovalainen 2008, 77; Hall & Rist 1999, 296). In order to achieve the aim of this study, which is focusing on such a subjective matter as customer buying experiences, interviews are chosen as a strategy for data collection. Secondary material, such as documents, is incapable of giving new insights in customer buying experience concept due to the rapid development of the environment. Observation, on the other hand, could give good insight into consumer behaviour, but cannot explain the determinants behind it. Among interview *types individual semi-structured interviews* and *focus group discussions* are most applicable to consumer research and are chosen as two methods of data collection for this particular study (Eriksson & Kovalainen 2008, 80–82, 175–176).

According to Aaker, Kumar & Day (1995, 176) in the individual interviews the topics are explored in detail due to the close face-to-face contact with the respondent. The advantages of this type of data collection are the ability to make follow-up questions and observe body language, intonations and contextual factors, which allows to obtain the considerable amount of in-depth information. Also, the level of moderator's control over situational variables is much higher than in other data collection methods, and there is no potential problem of group conformity, which can be present in group interviews and discussions and affect spontaneity of the respondents. The weaknesses of individual interviews as data collection method are linked to the effort and time, as well as personal factors. Individual interviews are very time-consuming and the risk of personal dislike and a feeling of isolation and absence of the group support is high. (Hall & Rist 1999, 298.) For this study, *semi-structured theme interviews* were chosen as a type for the interview structure. This type lies in between standardised and unstructured or open interviews, and requires a prepared outline of issues, topics and themes to guide the answers in accordance with a specific structure. However, it still consists mainly of open questions and allows variations in the order and wording of the questions in every interview. Therefore, semi-structured interviews allow for informal and conversational tone, and give the

moderator freedom to investigate emergent topics, but at the same time form a comprehensive and structured material. (Eriksson & Kovalainen 2008, 82.)

Focus group discussions are the most popular qualitative method in marketing research, especially for studying experiences (Trevinal & Stenger 2014, 318). A focus group can be defined as a selected group of people assembled by the researcher with the goal of discussing and giving their personal opinions on the topic that reflects the subject of the research. It can also be referred to as organised discussion focused on the selected topic. (Eriksson & Kovalainen 2008, 173.) According to Hall and Rist (1999, 299), a focus group should include 7–12 participants discussing the issues presented by the moderator among themselves (cf. 2–10 participants, Eriksson & Kovalainen 2008, 174). The role of the moderator here is not conducting the group interview, but merely moderating and facilitating the discussion, presenting main themes and concepts. The group should be able to pick up the topic and continue with the flow. Some of the advantages of this data collection method are argued to be better logistics, lower costs and less time spent on the group discussions in comparison to interviews. Also, there is increased amount of new ideas and points of view, as there is usually more time to think on response while someone else from the group is answering. In addition, group interaction may provide such effects as synergism, snowballing, stimulation, security, spontaneity, serendipity, specialisation, scientific scrutiny, structure and speed, known as '10Ss'. The disadvantages of this method, on the other hand, are the strong dependence of material quality on the moderator, the problematic sampling, and difficulty of analysis. Focus groups are also criticised to be an insufficient method to be used on its own. This method is usually used as a part of multi-method qualitative research design, as in this study, or as a supplementary material to a survey. (Hall & Rist 1999, 299–300; Eriksson & Kovalainen 2008, 176–177.)

As both individual semi-structured theme interviews and focus group discussions should be based on the specific topics, an operationalisation table was used to aid the structuring of the questions and themes in relation to the reviewed literature. The operationalisation of the study was conducted in accordance with the research questions and the structure of the literature review. In addition, the concept of customer buying experience, illustrated in Figure 11 (Chapter 2.2.3) was used as an underlying notion for formulating the questions. The stages of the buying process and experiences during each stage helped to emphasise the notion of customer buying experience and its continuity as opposed to total experience with the company. The idea behind basing the themes not on the conceptual framework (Figure 14), developed throughout the literature review, but on the multichannel buying process -based model, is to encourage respondents to think progressively and to receive answers, that only consider significant elements of customer buying experience. The main assumption here is that if not asked about the elements of the customer buying experience directly, respondents will mention only the factors that

affected their behaviour or were in other ways significant to them. The choice of multiple data collection methods is aimed on broadening the knowledge on customer buying experience and its research. Therefore, the two methods are described in detail in the next chapters (Chapter 3.2 and 3.3). The operationalisation of this study is presented in Table 4 and the detailed frameworks for data collection can be found in Appendices 1 and 2.

Table 4   Operationalisation of the study

The aim of the study	Research questions	Supporting literature	Themes of individual interviews and focus groups (Appendices 1, 2)
To explore what relevance experience of the multichannel customer during his/her transitions between online and offline retail channels has in customer buying experience.	What are the main features of customer buying process in multichannel environment?	2.1.1 Consumer decision-making process	Interview theme 1: Buying behaviour in a multichannel context FG Questions 1 and 3
		2.1.2 Multichannel behaviour and channel choice	
		2.1.3 Customer journey concept	
	How does customer buying experience form in context of multichannel retailing?	2.2.2 Introducing the concept of customer buying experience	Interview theme 2: Experience in an online store before, during and after purchase
		2.2.3 Creation of customer buying experience	Interview theme 3: Experience in the physical store before, during and after purchase FG Questions 4 and 6
	What is the role of customer transitions between online and offline channels in forming of customer buying experience?	2.3.1 Channel integration: omnichannel strategies	Interview theme 4: Experience during transitions from channel to channel Interview theme 5: Future FG Questions 5 and 6

3.1.2 Data analysis methods

The research process of this study is iterative, like all the empirical research, which means that research, data collection and analysis are somewhat concurrent and aid the development of the theory from the data (Eriksson & Kovalainen 2008, 23). In particular, it means that the empirical part of this study was conducted at the same time as literature review, both parts affecting each other.

In qualitative research, the objective of data analysis is to "identify, examine, compare and interpret patterns and themes" (Hair et al. 2016, 301). The researchers approach to data analysis in this study is *interpretivism*, as it suits the best the idea of individual subjective experiences. Interpretivism means, that the perception of the reality is socially constructed, and the phenomena are formed by individuals, who assign their own meanings to them. Therefore, the researcher should attempt to interpret these meanings and form an understanding through them instead of pursuing an objective reality. In order to study human experiences and consciousness, researchers should utilise a phenomenological approach. This philosophical approach means, that such experiences as social interactions, emotions, memories, thoughts, desires and imagination are examined from the point of view of the researcher. Interpretative research works on the base of phenomenology, which influences the idea of social construction of the reality. (Hair et al 2016, 297–298; Eriksson & Kovalainen 2008, 19.)

The material gained by individual interviews and focus group discussions was analysed jointly using *thematic content analysis* principles. The audio-recorded material was analysed first by listening it through and assigning the parts of the recordings to particular dimensions, and then by transcribing the assigned citations word-to-word and placing them under the specific code. The material was not transcribed prior to coding for two reasons. The first is a practical reason for using time rationally, as the collected audio material was 7 hours 12 min long in total, which would take a long time to transcribe not necessarily adding any value to the analysis. In fact, the second reason is that the organisation and interpretation of audio material might have been more accurate as opposed to the interpretation of written material, as the intonations and other verbal cues were not overlooked during the coding process. The used method allowed two-stage coding: first, the coding of audio material, and second, the arrangement and organisation of transcribed citations. Careful coding of the data reveals themes, structures and regularities, preventing the loss of the significant information (Kananen 2008, 89). In the coding of the material both operationalisation table and the conceptual framework (Figure 14) were utilised. Operationalisation table gave three main themes in coherence with three research questions. Under the themes, the conceptual framework elements and their components were used as sub-dimensions for coding. After the data was organised, careful attention was paid both to identifying the topics already present in the literature review, and to devising

new potential dimensions, especially with the respect to the aim of this study. The coding made it easier to identify new elements and to find the most significant elements by both analysing the number of related responses under a specific topic and the discourse of the response. Lastly, the relationships between the found concepts were identified and summarised in the renewed conceptual framework, supported by the empirical findings.

The findings are presented in the Chapter 4 of this thesis. The material is originally in Finnish language, and was also analysed in the original language. However, for the presentation purposes, the citations were translated by the researcher from Finnish to English. Next, the two data collection methods are described in more detail to give a better understanding to the choices made during data analysis and presentation of the results.

3.2   Individual semi-structured theme interviews

Individual semi-structured interviews with the consumers were chosen as a first data collection method in multi-method research design. This method was assumed to provide deep insights into consumer's buying process in multichannel context, how he/she experiences different channels and transitions between them, what affects these experiences, and does the experience during transitions matter to the consumer. In order to get to the core of customer buying experiences, the emotionalist approach was acquired, which considers interviews "as a pathway to the participants' authentic experiences" (Eriksson & Kovalainen 2008, 79).

The construction of semi-structured interview framework was already discussed earlier. After the themes and questions for the interviews were prepared, the search and sampling of the participants was initiated. The goal was to get an equal amount of male and female to participate in the interviews to have a more representative material and to ensure, that input of both genders into the information on consumer buying experience in context of multichannel furniture and interior design retail is not ignored. In the paper on Retailing in Finland 2015, Santasalo and Koskela (2015, 117, 60) report, that geographically, the purchasing power in all areas of retail, including furniture and interior design retail, is concentrated in big cities in southern and south-western Finland, especially in Uusimaa region. In addition, socio-economically people, yearly spending considerable amount of money on furniture and interior design, are entrepreneurs, high officials and low officials. Students were the group that spent the lowest amount of money on furniture and interior design, together with unemployed and farm workers. This information gave the base for the sampling, which meant, that the ideal group of consumers for the interviews was equal number of middle-aged men and women in high-paying positions from the Uusimaa region.

The following table describes the actual sample achieved in this research, presenting the information on age, gender, family status, employment and the duration of each interview (Table 5).

Table 5   The background information of ten people interviewed through individual interviews

Nickname*	Age	Gender	Family status	Employment	Duration (min)
Ulrike	34	F	Spouse with 3 children	Family leave	23:43
Jane	34	F	Unmarried	Administrative tasks	25:38
Theodor	40	M	Spouse with 2 children	Senior manager	24:13
Jake	30	M	Cohabiting partner	Student	31:34
Ariel	44	F	Spouse with 3 children	Senior manager	35:07
Mary	27	F	Cohabiting partner	Researcher	22:45
Hailey	38	F	Cohabiting partner	Middle manager	45:08
Turner	34	M	Unmarried	Senior manager	40:20
Axel	42	M	Spouse with 2 children	Sales manager	34:59
Vincent	37	M	Spouse with 1 child	Sales manager	43:22

*The actual names have been changed

Ten interviews were conducted during the period from July 22nd to August 26th, 2016. The average duration of one interview was around 30 minutes. Every interview was conducted during a face-to-face meeting in a café and recorded on the personal Olympus Digital Voice Recorder. The sample of the interviewees was equally divided between male and female in the age group of 27–44, averaging in the age of 36. All respondents were Turku city residents, which is a big city in the south-western Finland. Many of them are working in good positions, although it was not ethical to ask for precise information on the level of salary due to culture and personal relationships between the researcher and the respondents.

In order to find the suitable respondents, it was necessary to utilise all personal connections outside the university network. The resources were limited, and there was no affordable incentive available to attract people outside the social circle of the researcher. However, no close connections were used, all the respondents were the acquaintances from different recreational activities or work environment, where the researcher does not have any noticeable influence.

3.3   Focus group discussions

Focus group discussions were used as a second method for data collection to improve the quality of this study. Focus groups are ideal for hypothesis generation, which can be further tested in a structured questionnaire in a context of quantitative study (Kaenzig, Hyatt & Anderson 2007, 97[8]). Therefore, this data collection method was used in hope of generating more refined insights on customer buying experience in multichannel environment, as well as finding out other issues surrounding the topic that did not become evident through the individual interviews. The nature of focus group discussions, such as open ended questions with possibility of exchanging opinions, allow group members to feel free and change their opinions during the discussion, which may give additional information on the topic (Kaenzig, Hyatt & Anderson 2007, 97[9]).

As it was mentioned before, one of the advantages of focus groups is lower cost due to better logistics in comparison to individual interviews (Hall & Rist 1999, 299–300). However, it was not the case during this study. Organising a focus group requires a lot of effort, as a group of people, preferably strangers, is supposed to meet at the same location for a considerable amount of time. Considering the amount of preparation, as well as incentives to motivate people to participate, the focus group might not be an affordable choice. (Eriksson & Kovalainen 2008, 179.) However, it was decided to conduct two focus groups differing in the background of the participants. The extensive planning and preparations as well as the search and sampling of the participants started on May 23rd, 2016. The timeline and list of preparations can be found in the Appendix 3.

According to the report on Retailing in Finland 2015 discussed before, the desired demographic sample of focus group participants relevant to the furniture and interior design retail industry, are middle-aged individuals working as entrepreneurs, high or low officials in the southern and south-western Finland (Santasalo & Koskela 2015, 60). The pursued participants were aimed to represent three age groups (35–44, 45–54, 55–64) in a way, that a focus group would include a couple of people from each age group. Additionally, it was planned to conduct a third focus group for male respondents. However, men appeared to be uninterested to participate in group discussions, even with an incentive. Thus, only two focus groups were organised: first, between women of different ages based on the demographics of the most relevant customers for the industry, and second, between students of Turku School of Economics, with an idea to explore customer buying experiences and opinions of the group, that will have importance to the furniture and interior design retailers in the near future. In addition, the second group consisted of most technologically-savvy consumers, which added value to the discussion on the role of the

---

[8] Original source: Churchill, G. A. – Brown, T. J. (2004) *Basic Marketing Research*. Mason, OH: South-Western.
[9] Original source: Krueger, R. (1988) *Developing questions for focus groups*. Thousand Oaks, CA: Sage.

technology in retail. Table 6 contains the background information of the focus groups participants.

Table 6   The background information of eight people interviewed through two focus groups

Focus groups	Nickname*	Gender and Age/Starting year of studies, employment	Family status	Duration (min)
FG1: Women between ages 31 and 56	Hazel	F, 35 y/o, senior manager	Cohabiting partner	
	Leslie	F, 56 y/o, entrepreneur	Spouse	
	Simone	F, 43 y/o, entrepreneur	Spouse with 3 children	58:36
	Susan	F, 31 y/o, entrepreneur	Unmarried	
FG2: Students between ages 21 and 26	Iris	F, student 2012	Living alone	
	Victor	M, student 2012	Cohabiting partner	
	Lacy	F, student 2014	Living alone	46:41
	Haven	F, student 2010	Living alone	

*The actual names have been changed

After extensive actions on attracting participants, which included visiting a big furniture store and a department store on several occasions and spreading invitations, as well as activating personal connections and contacting them by e-mail and Facebook (Appendices 4 and 5), two focus groups of four people in each were conducted with the researcher as a moderator. The first focus group was conducted on August 25th, 2016, and consisted of entrepreneur and senior official females in the age range of 31–56, neither of whom knew each other. The second focus group, conducted on September 5th, 2016, included one male and three female students with the average age of 24, two of them in casual acquaintance with each other.

Multiple sources were used to prepare for the moderator role and to find out the best way of conducting focus group discussions in practice (e.g. Eliot & Associates 2005, Social Science Tools for Coastal Programs 2015, Eriksson & Kovalainen 2008, 181-186). The location used on both occasions was a room in the building of Turku School of Economics, where snacks and beverages were served during the sessions. Discussions were recorded on the personal Olympus Digital Voice Recorder. Additionally, the incentive for participation was introduced in a form of a possibility of winning a Stockmann gift card in a draw.

3.4 Reliability, credibility and trustworthiness of the study

This chapter addresses the quality and trustworthiness of this study in relation to the criteria compatible with the nature of qualitative methods. According to Eriksson and Kovalainen (2008, 290), it is important to not only assess the quality of the study in the end of the project, but to conduct continuous reviews in order to ensure the transparency of the research as well as emphasise its strengths and limitations. This paper strives to follow the evaluation criteria throughout the whole research process, taking into account the goals of the study, its design and methods. Additionally, the sampling tactics were designed in a way that minimises the influence of the researcher on the participants' responses.

There are three general concepts for evaluation of the quality of business and social study research, which are *reliability*, validity and generalisation (Eriksson & Kovalainen 2008, 291). However, the two latter criteria are more suitable for quantitative research, as the findings of qualitative research cannot be generalised in most cases, and validity is better addressed with credibility of the study in case of qualitative research (Hair et al. 2016, 303).

Reliability means the extent to which a study or a certain procedure, if repeated, will provide the same result. If the reliability of a study is good, the degree of consistency is also high, which means that any other researcher will be able to replicate the study and receive the similar results. In qualitative research reliability mostly reflects the amount of information provided about the research methodology, so it can be repeated. The opinion of researchers is still divided concerning the possibility of accurate replications of the qualitative study results. (Eriksson & Kovalainen 2008, 292; Hair et al. 2016, 310.) In this study the methods and procedures, as well as the backgrounds of the respondents, are described as accurately as possible. Although the nature of qualitative research makes it challenging to replicate the results, the consistency of the findings and the presented description of the methodology suggest this possibility.

The alternative criteria system for determining the quality of the study is the concept of *trustworthiness*, which consists of such aspects as credibility, transferability, dependability and conformability. The *credibility* of the study refers to the extent the conclusions drawn from data are believable, logical and justified. If the data is sufficient to support researcher's claims, and the links between data and theoretical concepts are logical, the study can be found credible. Credibility can be improved by triangulation. In order to ensure, that the conclusions have been drawn correctly, several methods of data collection or analysis are needed to be used. (Eriksson & Kovalainen 2008, 294[10]; Hair et al. 2016,

---

[10] Original source: Lincoln, Y. S. – Guba, E. G. (1985) *Naturalistic Inquiry*. Thousand Oaks, CA: Sage.

303–306, 310–311). In this study, two data collection methods are used in order to increase credibility of the conclusions. In addition, the literature review is summarised in a comprehensive model in attempt of making the analysis of the empirical findings as clear and logical as possible.

The *dependability* of the study is concerned with the responsibility of the researcher to present the detailed documentation of the research process in order to prove that the research is logical, traceable and documented (Eriksson & Kovalainen 2008, 294). The methodology chapters give a clear picture of how this study was conducted, as well as the dates of focus group discussions and a time period for interview conduction. The files presented in Appendices also disclose the process of data collection and study design.

Next criterion is the *transferability* of the study. It refers to the degree of similarity between the study and the previous research results, in a sense of similar results being found for example in another context. (Eriksson & Kovalainen 2008, 294.) As it will become clear further, the conceptual model, constructed based on previous literature, has found support in empirical findings of this study. In addition, most of the literature does not consider the context of furniture and interior design industry. This might serve as a prove that the results achieved in a context of furniture and interior design retail industry might be to some extent transferrable to other retail providers with consideration of product category influence.

Lastly, the *conformability* of the results refers to the ability to confirm the interpretations of the findings. That means that the links between data and findings are presented in an understandable way, so others could understand the reasoning behind the interpretation. (Eriksson & Kovalainen 2008, 294.) In the next chapter the material is presented on an equal footing with the interpretations, which allows to trace the line of thought between the data and its perception.

4 CUSTOMER BUYING EXPERIENCE IN MULTICHANNEL FURNITURE AND INTERIOR DESIGN RETAILING

This chapter presents the findings from the individual interviews and focus group discussions. The discussion of the findings follows the general structure of the study and addresses the research questions. Additionally, the findings are discussed according to the conceptual framework, presented in Figure 14 (Chapter 2.3.2). Data collected from individual and focus group interviews is analysed and presented jointly, however in Chapter 4.4, differences of findings between these data collection methods are discussed.

4.1 Multichannel behaviour

Generally, in line with the previously discussed theory, the behaviour of the respondents in multichannel environment appeared to be complex. However, several patterns could be derived. Most of the respondents told that in case of furniture and interior design industry they usually use **Internet** for **search and comparison**, and **physical shop** for making the **buying decision**. Some participants emphasised, that they would never buy something like furniture through internet.

> *I visit the web shop and look, what is there, how does it look, how easy would it be to assemble (so I wouldn't have to call people who do this), what design can there be and how will it fit my apartment. And I look up all of this at different web sites, so basically, I study what is out there. [...] I have never bought anything concerning furniture from a web store. Because you want to touch all of this. – Ariel*

> *[...] I check options from the Internet, compare different web pages and different products in the stores that I know I can buy furniture from, then I go to look at them in the store, rarely I buy directly from the internet. – Turner*

In some cases, especially with the known retailer brand, people start their search phase **only in the physical store**:

> *I knew, that IKEA had something like this [mattress topping] and probably the price would be in the range that I could afford, so as soon as I found the ride there, I explored the store and bought it right from there. – Ulrike*

The main reasons for **avoiding Internet** during their **purchase stage** seems to be the perceived **risk**, unpleasant **prior experiences** and the inability of the virtual channel to

reflect the **physical elements** of the product. As one of the interviewees comments: "*I think that people… they don't have the courage to buy bigger products from the internet*":

> *Internet gives a good picture about what kind of selection is there and at what price range, but of course in case of furniture, quality and other things are important… You won't necessarily get the impression of that in the web store. – Jake*

> *[…] I look in the Internet, what places sell these kinds of things. But these pictures there don't give the realistic impression of how this product actually looks, and I don't even get the perception of what size it is. Of course, there are measurements, but it is easier to get the perception, if I actually see the product. – Vincent*

> *I would like that the physical stores stay, because I wouldn't take the risk to buy just from the internet. I had an experience, when I bought a bathrobe for my daughter, and I looked, how beautiful it looks and how soft must the fabric be… Of course, it is not an interior design product, but the same things are important in this area – in pillows, blankets, rugs – the texture. I thought it would look the certain way, but when I came and saw it, it wasn't as I expected. – Ariel*

However, **purchasing** in the **Internet** has other benefits in the view of the respondents, such as **convenience**, larger **assortment**, free **delivery**, and **promotions** unique to this channel. Several participants remembered to have experiences of purchasing in web shop after seeing the product or getting an idea in the physical shop:

> *I ordered based on the description in the internet, I am not sure, if they had the same [product] in the store… They might have, but not at the same price. So, I did my purchase decision in the Internet. The idea I got from the shop, that I might need something like this. – Ulrike*

> *The last purchases we did were just in online stores – Finnish Design Shop, Stockmann web shop. You can go to the [physical] store to look at the products, try them, and then you can order in the web shop. […] it includes also home delivery, which makes it easier for the consumer. It is so much easier, when it arrives at your doorstep. We do the price comparison in the Internet, it is usually cheaper there and there can also be some discount coupon. – Axel*

Some consumers use the **online** channel for **purchase** only because of the **product availability**. The amount of **time** between purchase decision and getting the product seems to be important:

The premise is that I want to buy from the [physical] store. […] I use web store only if I have to, if the product is not physically available for the purchase in the store. I am a little hasty with the interior design products – if I make the purchase decision, I need to get the product right away. – Vincent

It went the other way around. I once made a purchase in Net-Anttila, as at first I went to the physical store and fell in love with the table, but they didn't have it [in stock], so I had to buy it from the Internet. – Haven, FG2

In addition, consumer multichannel behaviour depends on **the level of involvement** customers have with the product and the type of the product. Small interior design items are usually bought on an impulse, and are equally easy to buy both in store and online, while furniture items are high involvement products with long pre-purchase stage, that usually demands both channels:

Smaller home decorations I buy on impulse, in IKEA or wherever I go… And maybe also more in the Internet, if I have something in mind that I need, but then I can order them also, it is quite convenient. – Jane

Usually it (the purchase) is thought through. And it takes time for the furniture. – Axel

No, with the furniture – I need to touch, look at it, for sure… So, it is impossible to buy just like this. But at first – in the Internet, because you need to understand, get a view on prices and what is out there… – Ariel

Almost all respondents had utilitarian orientation in their shopping goals, which appeared in their behaviours. However, some participants of the focus group discussions showed the **hedonic** part of their shopping experiences, emphasising the environment of the shop and the situations they were in, such as traveling or searching for gifts or inspiration:

I just love to wander around different original boutiques, especially when I am travelling. […] These small shops help to get the right vibe and inspiration, they are just wonderful! – Susan, FG1

It is a delightful atmospheric place. I have bought some small gifts there, and some drinking glasses home, there are very different there, and not very expensive. – Leslie, FG1

The shoppers with **utilitarian goals**, who were mostly concerned about convenience, time and effort, preferred online stores for pre-purchase and post-purchase stages. In fact,

several people used web shop for purchase just to get convenient and fast delivery after purchase.

> *It is very convenient to shop in IKEA, because it has a convenient web site. So, basically, you can study everything at first, imagine, how it will look like, and only after that drive there. Because usually I have problems to get to the store. And in IKEA's web store I can find out everything I need. […] especially, people have their free time quite late in the day, when physical store is already closed, and so they need time to decide on an option and everything. So, one evening they visit the online store, second evening, then they are busy for a week, a week later they look in the online store again, then the decision is matured, and they drive to the physical store. – Ariel*

> *It is easy to browse in the web, when you can look at these products at the same time, not like that you are in one store, and you have to think "oh, what could be in the other one?" – Mary*

The **price** was the most recurrent factor in the interviews. All the interviewed participants were very price conscious, and stated it as one of the reasons to change the retailer. However, only some mentioned it affecting their channel choice:

> *I pretty much go after the special offers [in channel choice]. – Haven, FG2*

> *The retailer, in a sense, leads me to the web shop with the price promotion. So, it is intentional, they have the control. […] Why wouldn't they do promotions in both channels? – Simone, FG1*

> *Usually it is a combination, I may first look at the pictures in the Internet, then go to the shop, but then it can be, that I still order from the Internet. And then I also order quite a lot like if there is some special offer or discount. […] I buy from the internet, if there is some discount, or if it is not available in the physical store, or if it is, but it is easy to click and get from the nearest post office. – Hailey*

In addition, the findings revealed some interesting **schemas and rituals** customers have during search and evaluation stages in the online channel. These rituals, in coherence with the literature, appear to affect not only channel choice, but also customer experience.

> *I googled 'TV stand', looked at the web pages that appeared, IKEA and others, there were the measurements, I looked at the products, pictures, colour options, you can look [these things] in the Internet quite well. – Turner*

I know what I am looking for, so [when I am at a retailer's web store] I write in the search field the term that in my opinion describes it more specifically. And when there appear these small icons, I click them open in the next tab to wait for the more careful examination. So, if there are fifty icons, around five or six of them are left for further comparison. I usually through a first glance at them, to see how they look, I don't even look at the prices or anything else yet. Then, when they are open separately, I look at them in more detail. Then I leave only a couple open, or somehow write down their names, the ones I can recognise them from in the store. Sometimes I may look from the phone, what are the products, but sometimes I write down some product name or code on a piece of paper. – Theodor

Despite the general tendency to use physical channel in purchase, the **importance of the virtual channel** was frequently emphasised. For example, these interviewees put in:

Web shop is the thing – it is worth to spend [money] on and invest in, so that people come to the [physical] store. People do not just go to walk around the store anymore, but they really look in the internet first, a large part of them at least. These are such products, that I can imagine, are rarely bought solely from the Internet, but people go to look at them on the spot. But how can they get people to come? It is important to answer this [question]. – Jane

I myself use the web store during the whole process, even in the store I try to find the product with the help of the web store – Victor, FG2

The results also show that channel preference in the **post-purchase stage** is divided into **physical channel** preference for product **return** and **reclamation**, and **online** for **delivery** services and **after-sales information**.

When you buy from the physical store it is good that you can return [the product] immediately. [...] It was easy. They asked straight away, if I want a gift card or what, there wasn't any problem, it went well, I didn't have to explain anything. – Axel

In addition, several interviewees showed some remarkable behaviours connected to customer **values** and **lifestyle**. These are some of their comments:

As a matter of fact, I rarely buy new furniture, many [pieces] came to me used or I bought them from flea market or tori.fi – Hailey

I do like this, that I look at some quite expensive and fine furniture, and then google it, if someone sells it used, and quite often they do! – Iris, FG2

> *I buy new [furniture] only if it is unavoidable. Usually I buy everything second hand as much as possible. But then there are some products that aren't worth to buy used… The last one was the topping matrass, it was from IKEA, and before that were blackout curtains, these are the latest. – Ulrike*

As it will become evident later, **retailer's image** did have an impact on the interviewees' experiences. However, many of them stated, that they do not consider themselves to be loyal to any furniture and interior design retailer.

> *I am not in any case retailer-loyal. I went to this Kodin 1 just because I knew, that there is good assortment there, but I didn't have to go there. I usually go product first. – Susan, FG1*

> *I am not producer-loyal in furniture, every time I start from scratch to look for a product I need. – Victor, FG2*

All in all, the results support the literature concerning channel choice and multichannel behaviour on different stages of buying process. Also, the findings uncover some elements of customers' journeys with click-and-mortar furniture and interior design retailers, and answer the first research question on the main features of customer buying process in multichannel environment.

4.2   Dimensions of customer buying experience

The results discussed in this section expand the understanding of customer buying experience. Interestingly, the interviews and focus group discussions revealed that the notion of customer buying experience, in its definition of experiences across direct interactions with the service provider during customer buying process, may be even more close to the concept of retail service quality, than anticipated. Although the framework presented in Chapter 2.2.3 is only partially supported, it has also been broadened to support the click-and-mortar furniture and interior design retailer service process, and customer experiences gained from it.

The study mostly exposed the **pragmatic component** of customer buying experience – what was done, what practical interactions and processes were experienced and how it affected the overall experience. It can be argued, that customer buying experience, being only a part of holistic customer experience, may, in fact, be mostly the representation of pragmatic experiences.

> *We come there, we touch them, choose what we like and take them with us. We take the products like computer chair by ourselves, but if it is a sofa or something*

like that, then, of course, we have it delivered to us. But even if we buy sofas, it was in IKEA, they deliver them unassembled, and then we have to assemble them. [...] [The fact that affected the experience positively was] That we could lie on it and fold in and out. – Ariel

Despite the strong presence of the pragmatic component, other components of customer experience were also obvious. **Sensorial component** was strongly evident in the physical store:

[...] participating in the evaluation were the price, and the quality and personal sensations – how pleasant was the touching, sitting, how the colour suited – so it could fit the brown furniture. – Ariel

The **relational component** was difficult to notice in between the lines, however, especially with male interviewees, it came to light, that purchases were usually made with the spouse, which made it a couple experience. **Emotional component** was best detected in the focus group discussions, and appeared with the use of strong words indicating emotions:

I love tiny home decoration shops, like the Selofaani here, yes, and Internet is its own world, anything can be found there – Lacy, FG2

Concerning the **cognitive experiences**, several customers have mentioned both something they have already experienced, and something, they wished for in retail environment to stimulate their creativeness:

It was not bad that I saw it [the TV stand] there in the display room [in IKEA], as it gave me ideas for my final solution. [...] You collect all the parts yourself. [...] And you can look yourself in the mirror if something is missing... But I actually like these experiences also. – Turner

And then if you could build something [in the web shop] yourself – what products fit or something like that, it would be very interesting. – Jane

Lastly, the **lifestyle component** of the experience was mostly related either to brands or to wishes customers had from companies, to be coherent with their values:

My favourite store is Marimekko. I like to support Finnish [production], which is one of the choice criteria... But the biggest reason is design. – Simone, FG1

On the other hand, I would wish, that instead of all the cheap mass production we could focus on the products that last longer and... well, the wild idea – if

> *stores can buy out some, like, used products back from the consumers, in a way that if there is something to be fixed, then they can fix it and sell further. Maybe not IKEA but some more specialised store is perhaps capable of doing this. – Ulrike*

4.2.1 Social environment in physical and virtual retail channels

One of the elements of the conceptual model of customer buying experience was the social environment. There were very little findings supporting the notion of **destructive effect** of the social environment:

> *You have to wait for the service, and there is the other client hesitating – phew! So [if there is QR-code on the product] you can find out the same thing by yourself with the help of technology. – Haven, FG2*

Some answers gave information on **reference groups** and other social circles taking part in the buying experiences. However, no comments were given on whether the participation of social circles had a positive or a negative effect on customer buying experience.

> *Social media is always running alongside [the buying process], so many surely ask their friends, if they have bought this before and so on – Simone, FG1*

> *My son chose the chair in the Internet and asked me to buy it to him as a gift. But when I went to the store... in my opinion it was a little – well, he is a big man – a little crooked. So, near it there was more stable-looking, stylish [chair]. And naturally I sent him a picture in WhatsApp, and he answered that, "yes, it goes". – Leslie, FG1*

> *My mom sends me links to Stockmann web store, that "here is something that can suit you". – Susan, FG1*

The two most impactful components of social environment appeared to be **customer reviews** and **value co-creation** experiences with other customers. Concerning the reviews, the most trusted were the independent reviews, that were not on the retailer's web site. These reviews, in addition to being a part of socialisation, may help customers to build the proper expectations about the product as well as establish the trust towards the retailer. However, there were also comments supporting the reviews-section on the company's site:

On some [sites] it is easy, but somewhere it is impossible [to understand, how the item looks like]. But somewhere there are customer reviews about quality and how it looks like. And so, in some places it is written "don't look at the picture, it doesn't look like it" – so sometimes reviews on the web sites help. – Ariel

It came to my mind about the online store, that there are product reviews, which are left out [from the experience], when you go to the [traditional] store. In that case, you have only the salesperson's opinion and your own pinion, but when you buy in the internet, you may have the opinions of fifty buyers… – Hazel, FG1; It does affect a lot, when, for example, you read some negative [reviews]… – Leslie, FG1; … about the store or the product – Susan, FG1.

As previously established in literature review, other customers can have a great role in value co-creation during the retail service. The interviews and focus groups exposed some fascinating examples of experience co-creation through social environment:

[On post-purchase delivery experiences] The car was too small, and there were already too much people in it. I started to become desperate, that should I come and get it [mattress] with some van, as it is here, but it won't fit anywhere. But then arrives my acquaintance, whom I didn't know that well, but knew enough. So, we somehow were at the same corridor in the [IKEA] warehouse. I talked to her for a moment and asked like "Hey, where do you live and how big is your car?". And it was arranged, although she lived in the other direction, she took this mattress in her car […] and she brought it to our home later that day. And for that we let her use my IKEA Family -card for the discount. So, I got lucky, otherwise I would still be without a topping mattress. – Ulrike

Some stores are so empty – no people, not even salesmen. So, as there are usually several shops near each other, I might go there, where are people, I think I can get help there. – Haven, FG2

Social environment does not only stop on the customers. Sometimes there is also the need for **socialisation** with the **service personnel**, which adds to the buying experience. These interactions, however, are presented in the context of service interface.

4.2.2   Service interface in physical and virtual retail channels

Different technological solutions have changed the service interface. However, in Finnish furniture and interior design shops it is not as noticeable. One person mentioned the experience with **self-service technology** while describing her buying experiences, which did not seem to be exceptional:

> *When you go to the physical store, you have to take the prices by yourself. It usually goes well, it guides the card transaction. It is OK, if you don't buy too much, a couple of times it goes quite well, but it is, of course, pleasant, if some person is at the checkout. – Hailey*

Technology development also affects the service interface of the online store. Here, the experiences were more explicit, although quite different depending on how much time have passed from the last purchase. This fact illustrates the speed, with which technology develops.

> *Yeah, it is quite rare in the web store… there is even no chat or no service where you can ask… So, these [web stores] that use this kind of "you might also like this" function, I feel that it is quite nice, because then there are some things, which I couldn't necessarily search for myself. – Susan, FG1*

> *The web shop brings the similar products there below, but it still needs development. – Turner*

The most extensive material was gained on the significance of the **service personnel** to the customer buying experience. Each participant had something to say about the service received from a sales person. According to the findings, the perception shoppers have about personal service have improved during the last years. However, it does not make it easier for the sales people. The findings gave a conflicting picture on customer expectations towards the service personnel: the same respondents told about the need of personal, friendly service, and the need of space and "*being left alone*". There has been demand for the golden mean for the behaviour of a sales person – not too intrusive and oppressive, but also active enough to be ready to help when needed.

Additionally, the general opinion of the interviewees was, that **negative experience** with the **sales person** may affect their decision to continue their buying process in the particular shop and noticeably affect their buying experience:

> *[…] in a sense, I prefer to do my buying decisions by myself, so I don't expect the professional there necessarily. If there were really some dull service, it, of*

course, could affect it [the purchase decision]. But I don't really remember, if he [the salesman] was exceptionally friendly... – Jane

I require a lot from a salesperson. [...] The experience in the store [with the salesperson] have many times affected that the purchase decision wasn't made. It is a pity, how often you stump upon the unprofessionalism in these places. I don't want to sell anything to myself. – Vincent

On the other hand, not all the respondents were unanimous about the fact, that good experience with the sales person can affect their behaviour. However, here are the examples of the **positive experiences** with the **service personnel**, that respondents stated were exceptional, memorable and affected their future behaviours:

I have very good experiences from a small private shop, which is not a chain or anything. There was this business woman [...] and she could advise me very well, when I couldn't decide, which pillowcase should I buy. And she asked, what do I have in the flat, so it was very personal, the service, and the it [the pillowcase] could be tailored to different sizes... So, these kinds of experiences stay best in the memory. – Haven, FG2

[...] but the price was much higher, and the smart salesperson said to me, that it will be on sale on Monday, that "there will be a big discount from the price, so come on Monday". We also looked at the inventory, and there were some. So, I came on Monday and bought on special offer. So, the service, in my opinion, was very good! – Leslie, FG1

The salesperson was quite fast to offer help, [...] and he clearly knew all the products and showed different options from all over the place, he asked about the price range right away, [...] and basing on this showed different options both above and below it. – Theodor

Also other elements of the **service quality**, such as empathy, assurance, responsiveness, reliability, flexibility and customisation appeared to be important in customer buying experience according to the findings. Assurance, for example, was reflected in the material by customers using service personnel to confirm some assumptions that have been created during search phase in the Internet. The need for responsiveness, on the other hand, was present in the form of fast response of customer service. The customisation of the service was acknowledged to have a positive impact on customer buying experience.

The elements of the service quality related to the e-service quality were partially supported by the material. The **usability** proved to be a necessary element of the online retail experience.

>*It should be easy to make the purchase, to take it to the shopping cart, and also all the delivery terms and costs should be clearly there. – Hailey*

>*The fact, that the online store is user-friendly affects a lot [your actions]. – Turner*

>*All the stores are clear and user-friendly. – Mary*

>*I had [experiences], when the user interface of the online store was such, that I have rejected it because of it. – Theodor*

>*The service experience can, of course, have bumps in the road, like, when card payment doesn't go through, or now it disappeared from my shopping cart, what's happening now, page is not loading and so on. – Hazel, FG1*

On the other hand, there was no data supporting the flow-state or time distortion. All the experiences in online environment seemed to be directed to the optimisation of the buying process and time spent online. However, there were broad findings on the importance of **information**. The most important information in the online environment was perceived to be information on delivery terms and costs, as well as the product information and return policies. The information considering product availability, as well as the information, that can be useful on the post-purchase stage, has also been emphasised.

>*It was good, that all the information could be found from the web page – what does the delivery cost, and when is it coming, and all of the product information I wanted. – Mary*

>*The information about delivery costs is important, it may differ from one store to another… Then it is also important, what is the return and exchange policy. – Hailey*

Interestingly, the **information** seemed to be important also in the **physical channel**. One of the interviewees comments: *"The information on material and product should also be in the physical store"*.

Security and privacy proved to be important to some consumers. The Trevinal and Stenger's (2014) findings concerning customer's perceptions of the reliable provider are supported with the findings of this study – the design of the web shop in many cases made it "*look reliable*". Furthermore, the uninterrupted and easy transaction process brought the feeling of trust and security.

Additionally, an interesting finding was the **network quality** element, proposed by Lemke et al. (2011, 860) and suggested to be mostly evident in B2B interactions. However, the partners of the retailer also had impact on consumer experience.

[The delivery company] called, asked what time would be good, so the product won't be there in the rain. Boys came and brought it inside with their cart, although it was not in the agreement. Just wonderful service! I give ten points for that, very good service! – Axel

By the way, about delivery. [...] Otherwise everything was fine, but this guy! He was the weakest link of the whole chain. Firstly, he was stinking with cigarette smoke when he came, then he made me carry the part of the bed out of the van, and then he also joked inappropriately like, "Hey, will you have a company in this bed?" – Susan, FG1

The trustworthy payment channel [is important], PayPal or something... I wouldn't put my credit card numbers just anywhere. – Hailey

In addition, the **process-related** parts of the service, like the **delivery**, **returns** and **time** spent were mentioned many times in the interviews and appeared to be a substantial part of the service. Finally, the **recovery from mistakes** – an important part of service quality, proposed by Grönroos (1998, 13) – was also evident in the findings of this study. For example, this interviewee answers:

[What is important in service process?] If after sales is managed well... So, if a product has some defect, it is easily handled. – Vincent

4.2.3   Retail atmosphere in physical and virtual retail channels

When asked about experiences in virtual and physical channels, interviewees emphasised the characteristics related to retail atmosphere as being important, especially during pre-purchase stage. As the shopping goals of the respondents appeared to be mostly utilitarian, the characteristics of the atmosphere reflecting clear, organised and customer-centred store design were repeatedly pointed out.

The findings showed, that the **design** of the **web shop** is indeed important in determining the e-service quality and establishing trust. However, it has also a more functional task, which in general affects customer buying experiences, – to attract customers and guide them during their buying process towards purchase decision.

[...] if I google for product, and there comes the list [of web stores] so, if the online store looks disordered, I am like "a-a, no!". I instantly get the feeling, that it is not trustworthy, or that something may go wrong, because it's so messy-looking, that I won't understand something... So, right when a clear-looking

> *[store] comes, where everything is visually nicely, then I can look around. – Lacy, FG2*

> *In the web shop, for me personally, the overall appearance is important: how clearly everything is out there, I don't want and don't need any moving banners there or hyping sales offers jumping in front of my eyes or other. […] Yes, and that the product groups are clearly easy to find. I am an impatient person concerning these matters. – Vincent*

In case of physical stores, some respondents stated, that they have not seen a badly designed traditional location: as **clear store design is a basic requirement**, many companies make an effort to excel in this area.

> *It is sometimes quite convenient, as the store [IKEA] is quite big, that you don't need to drag this heavy product with you across the whole store. I think it is designed quite well, although the warehouse is miserable, nobody goes there for pleasure, but it [the store] has these [display] units, where you can explore, where you want to buy from. So, they are done quite well. And then just in the last moment I fetch what I want [from the warehouse]. – Ulrike*

> *If the products are displayed nicely and are easy to find, it of course has an impact. If it is somehow really messy and you can't find the original package, for example, it also affects [the experience]. And nowadays every shop is put together so nicely, there is the professional interior decorators, who put the shops ready. – Hailey*

The only **negative experience** with physical **store design**, that was discovered in the focus group discussion, appeared to affect the future behaviour of the respondent:

> *But I must say, when we went to JYSK, the store was so unclear, that I didn't really want to buy anything from there. It was cluttered and very cramped. – Victor, FG 2*

There were also mentions of a very **pleasant experience** in the offline retail channel, the big part of which was the **retail atmosphere**. The interviewee tells:

> *In Vepsäläinen we really had a very pleasant experience. Firstly, the store was furnished in a stylish way, it was spacious, you could see well, there was nothing like that you had to walk through some corridors [like in IKEA], but you could walk back and forth, and the furniture groups, that were styled there, left a stylish image […] it left some kind of a luxury feeling. – Theodor*

The **display and presentation** of the products were of a great significance for most of the participants both in virtual and physical channels. Also, the logical and thoughtful product clusters were the point of attention for some respondents:

"If you think about decorative pillows or maybe curtains, the fact, that they are all visually clearly in the same place [is important]. I think that it is somehow disturbing, if they are in the combinations [with other products]. So, if you are looking for curtains, then yes, you can see what goes with them, but it would be nicer, if you could compare them between each other." – Jane

[In the physical store, it is important that] products are clearly displayed and sorted, like bedroom here, kitchen there, in the logical order; and that it is attempted to make the environment cosy, that it doesn't look like straight from the brochure, and not like the factory, but normal. So, that it would be easier to visualise the product in your own home – is it really it? – Vincent

There has also been a suggestion to categorise products in online store more logically, especially in accordance to brands:

It is important, that it is easy to find the search field. There is no need to browse, if you already have some brand in mind. If there on the left side are the brands, you click there, and it shows all the brand products. Nowadays when you come to the webstore you may spend two hours browsing, as the sight has hundreds of thousands of products. If you can get to your product and brand in two clicks, so you won't need to browse that much. – Axel

Some interesting results were found concerning the **experiential features** of the **web store design**. In focus group discussions, some opinions indicate that the nature of products sold in the store should be reflected in the web store visual layout and design.

And, of course, if there are any innovative solutions or something like that, to put in the web stores, it may make anything possible. But there are [web] stores that follow this basic formula, I don't understand, why creativity should stop at this. […] I would wish for more creative solutions, so there would be built some entities and atmospheric themes […], especially when the question is about home decoration, that is, in fact, about atmospherics. – Susan, FG1

These gallery-pages about home decoration, they give ideas and different new points of view on the things, how it would look at our place. – Leslie, FG1

The importance of **multimedia** was emphasised by different comments on the quality of the product pictures, which implicated role is to better transmit the physical ques of the product category.

> *The web store should have very good pictures and product description, all the materials and measurements should be there. And, for example, in IKEA there is very good that they have both the picture of the product without the background, and then the picture of the living room, and how it looks there. – Hailey*

> *[…] because there can be such photos, that you cannot understand anything from, and sometimes there are only some schemes of the furniture, cabinet, and I want a real photo. – Ariel*

Additionally, the **interactivity** in the multimedia was something that came up in the individual interviews. Respondents tell their ideas:

> *I like to make the product to look personalised. So, it would be nice, if you could edit it [digitally] to look in your personal style, so it would be easier to make it personalised. If you could move with your finger, like "I want the doors [of the cabinet] of this colour, and the shelf of this colour", and you could drag it [together]. It would be personalised, and then you could transfer straight to payment… – Turner*

> *It would be fun to be able to design something for your own home [in the application or web store]. – Mary*

> *These pictures should be better, than they usually are in these online stores, and there should be more of them, and also like that this furniture piece fits in a room, with other furniture, so you could see it with different options. […] There could be some kind of 3D [pictures], which you could move and turn around, more than you can now, or maybe some video or something like that. – Theodor*

Lastly, concerning the atmosphere in the online environment, the ability of this environment to reflect the product characteristics with the visual images does not only affect experiences in the shop, but also consumer behaviour, even in a short run:

> *The picture was so unclear, that I went to buy to the other page, where the picture was much better, and the price was the same. So, I landed there, where was the clearer picture. – Leslie, FG1*

The **accessibility** of the physical retail store itself, as well as the products, seemed to be significant to the customers. One reason for that may be the characteristics of the product category in question. Interestingly enough, although furniture has vivid experiential features, the reasons to visit the **physical store** were mostly **utilitarian**.

> *So, I needed some very supportive [mattress]. So, I had to be sure that while I was lying here for some time, that my back won't hurt. – Ulrike*

> *You can't see the quality of the wood from the picture. – Theodor*

> *Of course, you should sit and look a bit, what model is it [the armchair]. – Axel*

However, also the **new role of physical store**, being a provider of **sensorial and pleasant experiences** in parallel to the effective service of the online store, has been noticed by the shoppers. Here are some examples of the experiential effect the store atmosphere might have on the shoppers:

> *In these small shops the sales people or the owners are usually also the designers, and it brings a good vibe, especially in home decoration – as you want something for your home, that raises good positive feelings in you, or that you want to share these good feelings in the form of a present. So, visiting the physical shop, is basically it [what brings the positive emotions]. – Susan, FG1*

> *I just love IKEA, and not only because of the price, but because they thought it through so carefully, that it is actually an exceptional experience, that you circle there and get inspiration from these ready rooms that they did there. And then it's like "wow, this would be nice to do!". And then, for me it is more like, that I might go there just to get inspiration for drawing or something. Then I go there to look and get a lot of different visions. – Iris, FG2*

4.2.4   Assortment in physical and virtual retail channels

Assortment plays a great role in forming of customer buying experiences – it appears to be one of the main reasons for choosing the retailer, as well as creating the concept and the format of the store. The interviews exposed some intriguing findings on the topic of the **variety** and the **scale** of the assortment. The major part of the respondents confirmed, that the possibility to choose from the wide range of different products, both in virtual and physical channels, is important to them.

> *The wide variety and its display is important. – Mary*

> *[On the good experience in store] It can be always found without effort, and they have an enormous assortment and different styles [of the rugs], there can be found more simple and down to earth, as well as something bright and wonderful, to every occasion. – Hazel, FG1*

> *[On the web store experience] It automatically suggests additional products that are needed there. – Theodor*

One interviewee emphasised, that the large variety of products helps to get an assurance, that the chosen product is the best, which affects their satisfaction both with the process and with the product. Basing on that, it can also be argued, that the assortment has an impact not only on the pre-purchase stage, but also later into the buying process.

> *The positive thing was, that we found what we were looking for, and that there were other choices, which we could look at also. So, it was like we left with clear conscience, because we had something to choose from, and we chose and remained satisfied with the choice. – Ariel*

Other interviewee had another point of view on the variety of the assortment, which can be described as 'less is more'. This answer shows, how the excessive assortment can affect customer buying experiences in terms of time and convenience.

> *I look more and more on how much time I spend on buying. [...] It is not the large assortment anymore which is appealing, but I even would give points, if there are only few products, but they suitable. – Simone, FG1*

This comment supports other dimension of the assortment, which is **uniqueness**. There were no other explicit findings on the uniqueness of the assortment, although some respondents mentioned personalisation of a product as something that enhances their experiences.

The findings reveal, that in many cases the **quality** of the furniture and interior design products is prioritised, and goes even before price. The perception of quality usually builds on the customer reviews, visual cues or previous experience. Some customers show cross-channel switching behaviour because of the quality of the products.

> *Once again, we had some negative experiences, that the products there [IKEA] are not of a good quality. So, if we can find out something on the IKEA web site, understand for ourselves, and then look for something similar on another retailer's web site and drive there, in the other store, that would be wonderful. – Ariel*

The **product brands** present in the assortment do not seem to have a straight effect on the customer buying experiences of the respondents, however they give a good impression of the retailer, the quality of the product as well as serve as a way to keep customers from switching during the buying process.

> *Brand is not that important, I am seeking for a good price-quality ratio. – Jake*

> *I'm trying to get some quality brand. – Axel*

> *[What the retailer should do to drive consumer to its physical store?] Well, of course the branded products… I don't know how, but to lure or assure, so it gives a quality impression. – Jane*

Retailers must however take into account, that customers show certain behaviours while searching for branded products, which makes it harder to compete with other retailers on other than a price.

> *But if I'm searching for particular product or brand, I might google it and then compare the prices, delivery terms and costs. – Hailey*

4.2.5   Price in physical and virtual retail channels

Apart from being one of the most important factors in purchase decision, prices and promotion are also the composites of customer buying experiences in retail environments. Companies use **promotions** to direct customers from one channel to another, which does not go unnoticed by the customers. According to findings, special offers also have an effect impulse buying behaviours. In addition, the ability to find a product on promotion showed to add to the positive experience during the purchase stage. For example, these participants describe their experiences with price promotions:

> *[On the pleasant experience] We could find it very well, and even on a discount, if I remember correctly. – Theodor*

> *I went to Sotka, because I knew, that there are the special offers, that you can buy and pay like, that you don't necessarily need to pay all at once, and there were no further costs for that, so it also affected [the decision]. As I have the financial side to it that also affects. – Jane*

> *[…] So, I came on Monday and bought on special offer. So, the service, in my opinion, was very good! – Leslie, FG1*

Sometimes, **price** of the products can also **create the specific atmosphere** and experience in the retail environment. One of the interviewees noticed:

> *And when there are visible prices, and if there are high prices and designer products, they bring such an exclusive feeling. – Theodor*

4.2.6   Past experiences

As the interviews were already touching the topic of past experiences, it was challenging to get to the preceding experiences not explicitly asking that. However, the findings still revealed, how, for example, the **experience in alternative retail channel** may affect expectations and through that further experiences.

> *Surely, the store creates a certain image about the web shop. – Hazel, FG1*

> *At least, if I am very excited in the online store, the I may also be very excited going to the [physical] store, and then there can be the disappointment, if it doesn't look like I thought it would look like. – Iris, FG2*

The collected material also provided some information on the importance of the past customer buying experiences in following interactions. However, majority of the interviewees **did not** seem to **have extremely negative or positive past experiences**, which could majorly affect their behaviour.

> *I have purchased from the stores, which had good quality and where I didn't have bad experiences. – Simone, FG1*

> *There were no such strongly negative experiences, because of which I wouldn't visit these shops again. – Theodor*

> *I went to buy from Sotka, if I remember correctly. I have just bought the sofa from there, and there was this good experience, so I knew, that the price-quality ratio there is on point, so there was also the brand impact. – Jane*

4.2.7   Retailer's image

The image customers have of the retailer serves as a filter for all the experiences received during different interactions. During the interviews and focus group discussions the joint impressions about different retailer brands noticeably drove the narrative. Especially the

fact, that there were no extreme deviations in cultural backgrounds, may have added to the unified understanding of the brands (e.g. Marimekko, Stockmann – expensive, high quality products, good service; IKEA – cheap, low quality products, interesting concept; Masku, Sotka – nothing special). However, there were also **personal impressions of the brand** and the service, that affected behaviour, expectations and experiences.

> *[…] my impression is like that the goods and other needed [things], for example IKEA has a lot of options and they are usually inexpensive but still quite good, so, basically, if sometimes [I] buy from somewhere else that it is more like individual and slightly better… Exactly, these images. – Jane*

> *These are probably old ways – that there are some stores that we go all the time to, and concerning some product groups, of course, if we buy some visible part of the interior, the we go to the […] a little bit better and more valuable stores. […] so, the image of the store affects, where are we going to look. – Theodor*

> *If it is a known store or a known brand, I may google it, […] if I know some department store. – Hailey*

Some interviewees emphasised, that although they might have some perceptions about the brand, there were almost **no negative brand images** in the furniture and interior design retail industry.

> *It never came to my mind that "hey, this product is nice, but I don't want to buy from this store". I don't have an image of a bad store or brand. – Haven, FG2*

4.2.8   Customer buying experience moderators

The knowledge gained on the customer buying experience moderators from the interviews only partially supported the conceptual model. The most evident moderators were consumer shopping goals and rituals, attitudes and perceived risks as well as the stages of the buying process, product category and the involvement in the product purchase. Also, such situation moderators as location, type of store and season were reflected in the findings. However, such moderators as competition, economic climate, culture and socio-demographics did not get enough support from the data.

The findings show, that although mainly respondents have economic or self-affirmation goals while shopping, they also appeared to be seeking for the symbolic meaning, especially while shopping for presents. The examples of **consumer goals and rituals** affecting customer buying experience can be seen from the following captions:

I am more like an impulse buyer. [...] And while I prefer to use money on traveling, then the price affects also. Also in Finland, if I go somewhere and want a memory from this place. Because I think that it is wonderful, when items at home have meaning. When I remember, where it is from or if I got it as a gift then who it is from, then it is not just a beautiful item, but it has also meaning. – Jane

I update the appearance [of my home] once in five years, I don't want to cry, when I sell [furniture]. – Vincent

I bargain, if the products are expensive. I bargain in the store, and you can't do it in the web shop. – Leslie, FG1

Some examples of the **perceived risk** associated with the retail service are the risk to spend time and effort in vain, not finding the right product, or the risk connected to the product category: "*I was ready to sacrifice my time to touch it*". The findings also revealed **consumer attitudes** towards foreign providers:

When you buy from the foreign online store, then you are more careful, what you are ordering, because then when you usually have to pay yourself for returning. That is why I am careful, when I order from abroad, nothing big at least, that will be very expensive to return. – Hailey

The time in general appears to be important, especially in purchase and post-purchase stages. However, the time passed between interactions and the stages is also something which might affect the overall customer buying experience. The interviews did not reveal any direct moderative effect of this factor, but it is clear, that the experiences would be different depending on the **amount of time passed**.

A couple of days have gone after I looked it up online. There were no negative experiences. – Jane

We wanted to buy online. We waited for some time, because in summer they might have had summer discounts. We waited for it and then ordered. – Axel

If you think for too long, it is already sold out! - Hailey

The examples of the product category impact on customer buying experiences have already been extensively discussed previously. However, the level of involvement customers might have while buying the product of this specific category has shown to be important to the formation of customer buying experiences. Such expensive **high-involvement** products as sofas, beds, chairs demand more time and cycles of evaluation,

more touchpoints with the company and therefore different experiences than low-involvement impulse purchases.

> *And then jus on impulse I bought a mat, just because it was on discount. It [IKEA] is a little bit dangerous, [...] as I always something small from there. A lot of necessary things also, and I am overjoyed that I have this mat, that I wouldn't search for [...]. It just happened to be there. – Ulrike*

> *Sometimes it [the proactive salesperson] is stressing, because you cannot be a moment in piece. You could just walk around and make some impulse purchases, and the salesperson may even repeal it, when he comes towards you, and you can't concentrate in piece on browsing. – Axel*

> *Usually I look around a lot and I am very bad at making decisions: is there something nicer, or is there something cheaper, or like this [...] But on the other hand some home decoration items I might by just ex-tempore, that I just go and see "wow, that's something nice", although I don't need it and buy it just because it is nice. – Hailey*

Although the study was conducted in the context of the same **type of store** – specialised click-and-mortar furniture and interior design retailer – one interviewee found some differences in her pre-purchase stage:

> *The department store is good, because there are different brands. So, if you go to Marimekko, there are only these [brands]. [...] So usually if I am searching for something, I first look at different options in the Internet, and then go to the spot [department store]. – Hailey*

The main factors concerning **location** appeared to be the fact, that the furniture stores are usually clustered in one area, which respondents found to be very useful, as it lessens the perceived risk of not finding a right product while time has been spent on arriving to the physical location.

Lastly, one interviewee had and interesting experience concerning the effect the holiday **season** may have on the customer experience:

> *When I bought Christmas presents, almost all of which were home decoration products, for the first time I did so, that I ordered them from the Internet and went to get them from Stockmann during the quiet time of the day, and I was very pleased, as they were all there and I didn't have to be in the Christmas rush. – Leslie, FG1*

4.3 Channel integration and transition experiences

Finally, this last section presents the findings related to the third research question, which refers to the role of customer transitions between online and offline channels in forming of customer buying experience. The findings could not give the straight answer to this question. Generally, customers find different ways to **appropriate the existing environment** to suit their needs, and the same goes for making their transitions more fluent:

> *I put the product name and code in the checklist in my smartphone, so I can find it better in the store. And I also put the measurements in the phone. – Turner*

> *I didn't find the product in the store, so I went later to their web site, and it was there, so next time I came to the store with the picture and showed it to the sales person, like "do you have one of these", and she said "yes" and found it for me. – Hailey*

> *[…] Sometimes I may look from the phone, what are the products, but sometimes I write down some product name or code on a piece of paper. – Theodor*

As the practices of channel integration and omnichannel strategies are relatively new, the expectations for smooth transitions are not too high and usually depend on prior experiences customers had. The interviews showed, that respondents who were **most familiar** with the **technological advances** and possibilities of channel integration had more to suggest in terms of development.

> *The fact, that the shops are integrated and are pulling together, is like modern day, so it wouldn't be just some obligatory web store. – Susan, FG1*

Additionally, there were almost **no negative experiences during transitions**. That allows the speculation, that in the present, the ability of a company to facilitate smooth and seamless transitions would positively affect customer buying experience, on the other hand, the inability to provide ways of making the transitions more fluent, will not have the negative effect of the same range, as the customers will be able to find their own unique ways to move fluently between the channels. Of course, this hypothesis may be disputed, and will not probably last for a long time, as with the increasing use of technology customers' expectations of the service will grow.

Further there are presented the interviewees' ideas on how the retailer can ease the transitions between online and offline retail channels and provide exceptional transition experiences. These comments are grouped in accordance to the literature review findings on channel integration and transition fluency.

4.3.1 Common infrastructures, operations and marketing

The findings confirmed that customers see the integration of virtual and physical channels as beneficial for service process. Respondents emphasise, that **joint operations** may improve the service.

> *[...] That is physical [store], if it is not profitable to be open every day or from 9 to 18, the working hours may be reduced, see, how the flow goes. But it should always be. [...] And the internet is needed, because without it nobody will come. [...] the best advertisement is on the Internet. And if there is advertisement in the Internet – why not the web store. Then it will be that people who arrive in the store will be already prepared, and the sales person won't spend his time on people, who don't know what they want. [...] So, he will answer specific questions, show mechanisms, let you touch and say what you shouldn't touch. Then you will need to ire less sales people, if people prepared by the internet store will come there. – Ariel*

> *Then it is also good, if you could order, and the order will come to the store without delivery costs, and you could fetch it from there. It already exists, of course, but there could be more of that. – Hailey*

The most important element of infrastructure integration uncovered by the interviews is the joint storage management. The availability of the product appeared to be very important to the participants. The lack of information about the availability and the perceived risk of arriving to the physical store for nothing, were seen to negatively affect not only customer buying experiences, but also purchase decisions. Therefore, the **integration of the logistics** plays an important role facilitating the transition fluency.

> *[...] that you can see the balance of the store also – it is a good service, and you can also see with it, if there is [the product] in your store. That you won't have to go in the store in vain like "do they have it in physical store?" – Hailey*

> *I think it is good if they [physical and virtual channels] are together. If, for example, in the web shop you can say if there is the product in the physical store, then I think it is good, if you can buy it from there. Or the other way around, if there is no in the physical store, that you can order it from the web store. – Mary*

There is also a need for **integration of the communication** and marketing actions, such as promotions and aligning channel strategies. Here is an example from one of the interviews:

I have seen in other [web] shops, that when I search for products, that there is written, that you can come, see and buy this thing in the store with this address. They ask, what city I live in, and if they have a store in my city, they have the pop-out window. On one hand, it is quite annoying, but on the other it helps. If I am really looking for something I want to buy, it helps, because I instantly know, where I can go. So, I think this window helps the transition to the physical store, because they are calling to visit "here you are looking at our couch, we have it". And if they don't know the real amount, because they would need to connect the database, then they could write: "we have it in the store at this address, come by". I would be pleased, that they are waiting for me, and would encourage me to go there. – Ariel

The similar idea and suggestions on the service development emerged from the focus group discussion:

[The online store could tell] Is this product available in the store, how much of it is available, or some GPS-tracking and directions to the nearest store, where this product is available. This may direct them [customers] a little there [to the physical store]. – Hazel, FG1; ... yes, bring storage management to the client! – Susan, FG1

4.3.2 *Consistency in retail experience*

The thing that appeared to be annoying to most of the interviewees was the inconsistency of the service. The interviews showed, that customers expect **consistency in service, visual image, and information**.

The same criteria in online store service may be applied, in my opinion, to the service of the physical store. – Leslie, FG1

Findings revealed some **disappointments** customers had **due to the inconsistency** of physical and virtual channels. For example, these interviewees ponder:

[…] I would think, that if the web store promises something good, but on the spot some product is completely different or you can't get it, then, of course it would have an effect on the image of this retailer, at least in my opinion. I wouldn't probably look at their web pages or go to the store anymore. So, it is very important, that they are up to date with each other. – Jane

About the product availability – if you find something nice in the Internet, but then it is not in the store, it is, of course, a disappointment. – Hailey

At least, if I am very excited in the online store, the I may also be very excited going to the [physical] store, and then there can be the disappointment, if it doesn't look like I thought it would look like. – Iris, FG2

To increase the consistency, channels should be **integrated** and **up to date**. In addition, the interviewees share their ideas on the topic:

If the product has the clear name... like if you looked the Jenni-carpet in the store, it could be found by the same name in the online store, so the naming is quite good. – Hailey

[What is important during transitions?] Just the ease and similarity [of virtual and physical channels], that you can seem that the web store and the physical store are connected to each other, this kind of ease. [...] That the web site is up to date and you can see, what is in the store. – Mary

4.3.3 Personalisation with the help of mobile technology

The idea of customisation of the retail service and its offerings is being replaced with the total personalisation of the service. It has become possible with the development of the mobile technology. Different technologies are available, and even more are being developed at the moment. The important notion here is that the company must ensure, that the incorporation of the new technology **does not make** the service **more complicated**. One of the focus group participant have touched the question on **authorisation** and **registration** in different online services:

[...] identification and the way to input the information, do you need to register or can you buy without the password, as I think there are too much passwords everywhere. For example, in the mobile it can be integrated with the Facebook or something. – Susan, FG1

Some **services enhancing personalisation** do not need to be in the mobile. Here, one individual interview participant describes the new service provided by IKEA:

It is good in IKEA, that you can make your own shopping list in advance in the Internet, and collect there all you need, and when you have collected everything, then it is easier to find them at the store. It is done relatively easily. – Jake

The described 'shopping list' includes information about the products, that customer might need while his/her visit in the physical store. This way digital technology is supporting customers during all the stages of their buying process. Following, an example of **mobile application** that **facilitates the personalisation** of the retail service:

> *This mobile application offers new products and follows, what I am interested in. Well, this application remembers it. It is quite appealing, so I look at them and sometimes even buy. – Axel*

A couple of participants developed on the idea of mobile applications aiding the personalised buying process and brainstormed some new ideas:

> *And there in the store – should there be like that you can see from the phone, where am I in the store, and where should I go, yes, and if you could also see where are the other products in the shop, so it would be easier to go straight to them. And like just the products, that I was looking at earlier, if you could see the ones you saw. – Turner*

> *And it would be good, when you have made this shopping list, then it can show the ready map with the products that you are looking for. – Jake*

4.3.4   Seamlessness: erasing the borders

As it has been implied in the literature, the quality of customer buying experience may depend on the seamlessness of this experience. The seamlessness of customer buying experience means the disappearing boarders between channels and fluent transitions. The role of the mobile technology is also evident here, but in a more technological way than in case of personalisation.

When asked about the transitions, interviewees could not connect them to mobile technology. However, when asked about the **use of mobile technology during transitions**, the younger respondents had similar answers, for example:

> *If I looked in the internet, I usually have the picture saved on the phone. […] I look at the mobile webpages, but I haven't used the mobile applications. – Mary*

> *I don't even use a computer anymore, so it is my basic requirement, that the web page is responsive and scalable for mobile. – Susan, FG1*

However, the retailers' abilities in use of mobile technology are limited. The development needs time and investments, and even then, some consumers are not happy with the solutions:

> *I have to say, that the mobile pages of these furniture stores are just horrible. They through you somewhere all the time. But when everyone has bad [mobile pages], it doesn't matter. – Victor, FG2*

> *I have just downloaded the IKEA application, but it was in my opinion so unclear and terribly complicated, so I got annoyed instantly. But then when you use for example [the mobile application] of the home section of Zara or H&M [...], then it is very handy. – Lacy, FG2*

The findings also show, that consumers are **eager to use** these kind of technology, if it would **work correctly**. The overall opinion is that "*the mobile technology can greatly improve service and experience*" (Victor, FG2).

> *If it would work, I might use it for browsing – I like to brainstorm, for example, in a bus. – Lacy, FG2*

> *[...] mobile applications might, probably, help, because then I don't need to be in front of the computer to discuss the purchase. Because if it is a sofa or a computer chair - namely something big and serious, then yes, we discuss it at home. But if it is some home decoration item, then I could meet my husband out and show it to him on the phone. I would show it to him quickly, and would find it faster than in online store – "well, let's go there?" – "let's go!" No need to go to the computer or put it on the piece of paper – everything is on the phone. And, when we arrive, we would show it to the salesperson right from the phone. – Ariel*

However, **seamlessness** of the service **does not only depend on technology**. The collected material showed some interesting findings on how the multichannel service can aid seamless transitions otherwise that with the help of the mobile technology.

> *Then in the web store there is the chat, so when we were buying the bed, it was a lot easier to go to the store, when we had the possibility to ask about the combination in the chat, what parts does it need, mattresses and other. They were able to answer that and it made the process easier on the spot. – Jake*

> *The sales person could say, that the delivery is included, if you go on the Internet. It doesn't necessarily hurt them either. – Axel*

The findings also exposed an interesting **post-purchase multichannel service experience**, which happened to be a positive experience, although based on a misfortune:

> *When I ordered a pillowcase from H&M and it dissolved after the first wash, I brought it back to the store. I haven't contacted the web store then, because it read there, that you could return the product there [in the physical store]. And I got the money back. [...] It happened very easily, it was just like they did a checkout with a special code. They didn't ask any web store information or anything. [...] I think, it was a good experience, as I didn't have to contact the web store. – Hailey*

The examples of post-purchase interactions with the mobile applications could be delivery or loyalty programs. Some interviewees had experiences with that:

> *I have an application to one online store, and if the package is sent, I get an email and a notification in the application that the package has been mailed. [...] I see the product, and by clicking on it, clicking 'tracking', it tells me [...] at which point we go, that the product has been sent, and that it is, for example, in the postal terminal in Switzerland, I can already evaluate that about two–three days and the product could be in Helsinki-Vantaa airport, after which the post will bring it to my door. They [the applications] are really good now, it has developed very nicely. – Axel*

> *For the purchase, you can get a stamp in your mobile application, then it is in the application, these kinds of things can also be. – Hailey*

Additionally, the **information** can make the process more **seamless**. The interviews revealed some ideas on what kind of information would erase the boarders between channels.

> *This kind of QR-code would be nice in the physical store, that you can get the information on the product – Haven, FG2; ...or if you can just take a picture of a product, and it [the mobile application] could recognise it. – Lacy, FG2*

> *Scanning of the product code and finding it in the web shop – surely, it is a very advanced service, quite unbelievable service. – Hailey*

> *Mobile would be a nice place to look at the availability [of the product in store]. – Victor, FG2*

The ideas concerning mobile technology use in retail to enhance customer experience can be limitless. The collected data also provided this study with the new ideas on supporting the seamless customer buying experience in multichannel furniture and interior design retailing.

> *You could take this piece of furniture on the screen of the tablet, and by using the camera place it in your own home. […] It could remove barriers, so you wouldn't have to go to the physical store. – Theodor*

> *I saw it in one of the clothes stores in [South] Korea, that they had a small screen and a number on each hanger. And this number meant how many likes this product has on their web site. I don't know, how relevant that is, but I thought "wow, this was something very new and fun". And as it memorable, and this user experience was taken to the whole new level. – Susan, FG1*

The last example shows, how the **social dimension of the web store**, with the multiple peer reviews, can be **integrated into the physical dimension** of the offline retail channel, creating a memorable buying experience.

4.4   Discussion on the findings

In addition to answering the research questions and supporting the elements of the conceptual model, the empirical findings provide some interesting insights into the methodology of the experience research. During the analysis of the findings, it became evident, that there was a distinct difference between material collected through individual theme interviews and material derived from focus group discussions.

Individual interviews appeared to give more elaborated reasoning for specific actions and consumer behaviour, than focus groups. This method gave more opportunities to lead the discussion in accordance to the structure, which affected the types of answers the respondents were giving. In a way, they were unconsciously trying to make their answers as clear, short and insightful as possible, in order to save the interviewer's time.

In focus groups, on the other hand, it took much more time to get to an insightful answer, but when it happened, it triggered other participants' memory, and participants could remember more different experiences, than they would be able to remember individually. Also, the experiential side of customer buying experience was more evident in the group discussions. The assumption can be made, that it is easier for respondents to share their emotions in a group than individually in face-to-face interviews. The reasons for that are still needed to be explored.

5 CONCLUSIONS

In this chapter, the empirical findings are compared to the conceptual framework and theoretical implications are made. Next, combining the theoretical implications and the insights provided by the interviewees, the managerial implications for furniture and interior design industry are presented. Lastly, the limitations of this study and the possibilities of future research are addressed.

5.1 Theoretical implications

The conducted qualitative study mostly supports the created conceptual framework. However, the findings also give some reasoning for the developments on the theoretical model. Figure 15 illustrates the elaborations brought by the empirical research compared to the conceptual model presented earlier. The elements that remain untouched are the factors comprising or affecting customer buying experience that found the support from the empirical findings. The elements in grey font, on the other hand, are the determinants and moderators of customer buying experience that did not get enough support from the qualitative data of this study.

The *Information* box changed its colour, as it has been found, that the amount and quality of the information impact both physical and virtual retail channels. The *Service interface* -component is stressed with orange colour with the intention to emphasise the service dimension of customer buying experience, which appeared to be the most important in creating their buying experiences for many respondents. Within this component, the significance of *service personnel* and *service quality* uncovered from the data is indicated with underlining. The service quality is broadened with the '*recovery from the mistakes*' (Grönroos 1998, 13), which appeared to be one of the factors directly providing positive experiences. Additionally, on the basis of the empirical results, the component of the retail atmosphere in physical store is expanded by the '*utilitarian role of physical cues*', which proved to be one on the main reasons for using the physical retail channel.

In addition, the model is expanded with the *functional service offerings*, such as the terms and times of delivery, additional services provided by the retailer, such as design tools, and the networks and partners of the retailer (Lemke et al. 2011, 860), who participate in the experience creation. These topics came up with almost every interviewee specifically while discussing buying experiences during post-purchase stage of the buying process.

Lastly, the details of the *transition experience determinants* are refined according to the empirical findings. The integrated infrastructure, operations and marketing appear to

be the basis for fluent movements between channels, on which consistency, personalisation and seamlessness of the experiences can be developed. The customisation is removed from the model, as personal devices and other technology allow personalisation instead. The results of this study allow to speculate, that experiences of the multichannel customer during his/her transitions between online and offline retail channels have relevance in the context of customer buying experience. However, the rapid development of technology, growing expectations, as well as the ability of consumers to adjust and appropriate the existing environment and set click-and-mortar retailers in a context, that is yet to be studied.

Furthermore, it is possible to suggest several hypotheses for future research: *H1*: company's ability to facilitate fluent transitions across their retail channels would positively affect customer transition experience; *H2*: company's inability to facilitate fluent transitions across retail channels will not have a significant effect on customer transition experience; *H3*: positive transition experience would have a strong positive effect on customer buying experience; *H4*: negative transition experience would have a moderate negative effect on customer buying experience.

These hypotheses may be addressed in the future quantitative research together with testing of the characteristics of fluent transitions. Although this study was focused on furniture and interior design retail industry, the findings may be applicable to the whole specialised retail industry with the few exceptions.
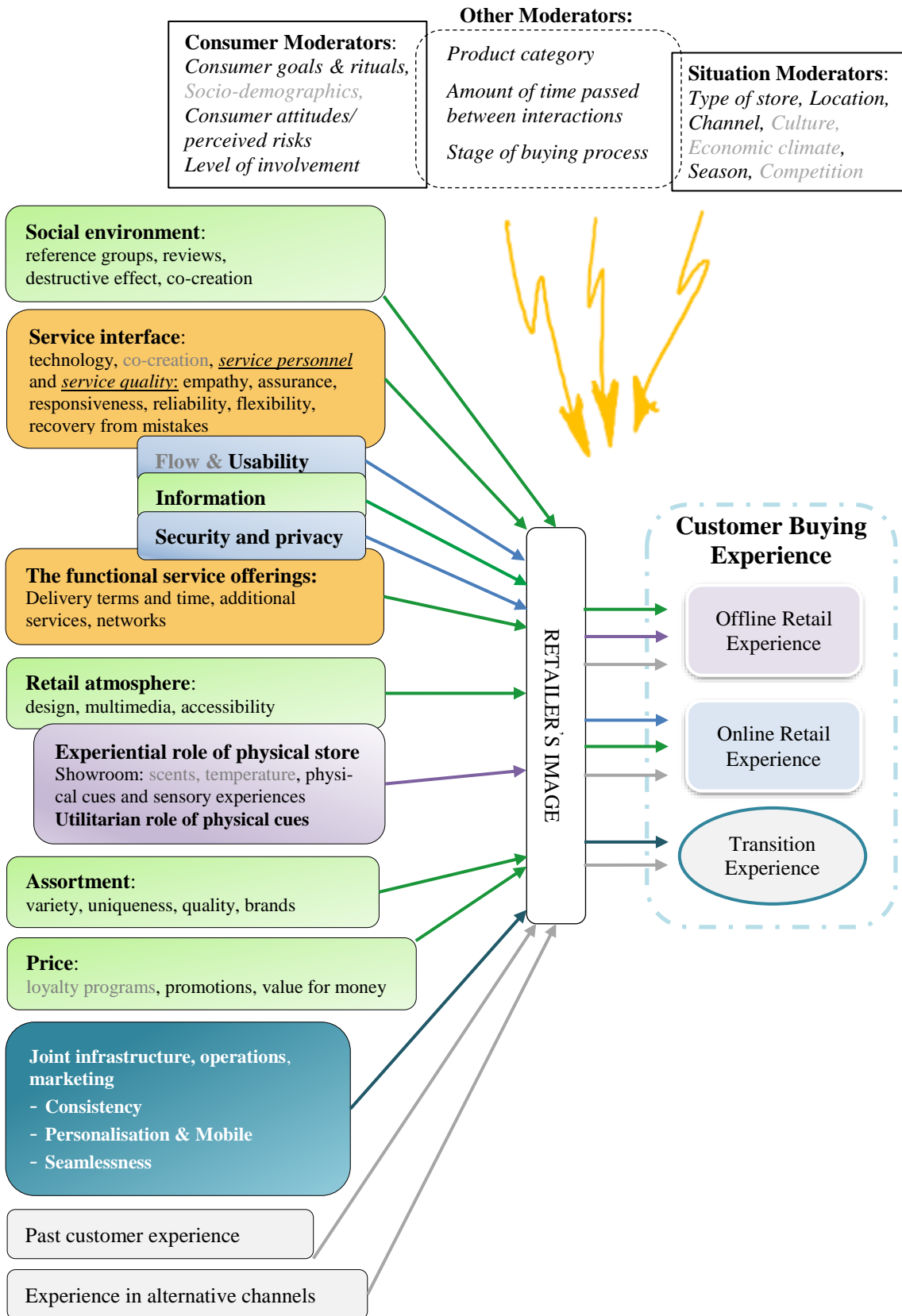
Figure 15   The conceptual framework of customer buying experience creation supported by the empirical findings of this study

5.2 Managerial implications

The main implication for managers, that became evident from this study, is that none of the interviewees had neither extremely good nor extremely bad buying experiences. Yet, exceptionally positive experiences are argued to be directly connected to loyalty. As the matter of fact, retailer loyalty appeared to be very low and the choice of the retailer usually price-driven according to the conducted interviews. May these facts be connected? In any case, if the retailer cannot or does not intend to compete with price, the creation of exceptional and memorable experiences is crucial. Otherwise there is a risk to lose control to the competition.

To create exceptional experiences, retailer should manage both retail service and customer expectations. The clear, interesting and unique concept of the click-and-mortar store may be the first step to it. One of the main reasons for disappointed customers was the inconsistency of the concepts and inability to understand what to expect. The role of both physical and virtual channels should be understood and the goals aligned. With clear and communicated concept and expectation management, it will be easier to provide an exceptional buying experience with the service that exceeds expectations.

Next comes the importance of personnel. Even with the development of the technology, the retailer should not undermine the significance of sales force training. Independently of the number of self-service devices in the store, if there is a sales person, he/she should be able to serve the customers in accordance to their expectations. And as it appears from the data, the expectations for the sales representatives are high even in the concept stores. The technology has sped up the information search and a lot of customers are able to find online almost all the information they need for making a purchase. However, in many cases they still need a human contact for assurance or in difficult situations that need problem-solving skills. If the retailer focuses on training its personnel specifically in these areas, the human resources might become a valuable and still irreplaceable part of the service.

Furthermore, not only the front end, but also the back end of the retail service affects customer experiences. The level of integration in infrastructure, operations and marketing is a strategic decision the retailer should make in order to stay in the race. Additionally, managing the networks and establishing service standards for every actor in the network might both positively affect the customer buying experience, and eliminate the unpleasant incidents that have a negative influence on them.

Lastly, with the rapid changes in the business environment due to technology, customer expectations also grow. To keep providing positive experiences the retailer should follow the trends, such as omnichannel strategies. Although now it seems like the mobile

and in-store technology, social networks and constant presence are excessive in the context of retail and consumers can stay pleased without them, it is not the case. In a few years, it might be the only way to effectively manage customer journey.

5.3 Limitations and future research

The main limitation of this study is the broadness of the created customer buying experience concept. The literature concerning topics such as customer experience can be divided in two: (1) the conceptualisation literature, that does not include empirical research but instead operates with the large concepts such as customer experience and customer journey, basing its findings on previous literature (e.g. Lemon & Verhoef 2016), and (2) the empirical, mainly qualitative, studies exploring a specific part of customer experience, such as online shopping experience (e.g. Trevinal & Stenger 2014). The concept developed in this study falls in the middle, as it is both conceptually more complicated than a non-dynamic part of customer experience, which complicates the collection and interpretation of the empirical data, but at the same time does not holistically describe the phenomenon, which does not allow for solely theoretical conceptualisation.

Secondly, the nature of customer buying experience made it difficult to create the right questions in order to grasp the main topic. The inexperience in conducting interviews and moderating focus groups might have also had the impact on the results and affected credibility, as the moderator has an extremely important role in focus group discussions. In addition, there were too little members of the focus groups and not enough male representation in focus group discussions. Although individual interviews reached their saturation point, there may be something that is missed due to only two conducted focus groups. Due to these limitations above, the findings of this study should be interpreted with caution.

Concerning the implications for the future research, there is more to explore in the field of the customer experience concept and its elements. The link between customer experience and customer journey is a promising conceptualisation that requires further development. Additionally, the concept of customer journey needs more academic research to be utilised in other theoretical models. Furthermore, there is also a need for a quantitative research on the effects of channel integration, and especially on the effect of omnichannel strategies on customer experience. Finally, the attempts to measure customer experience still do not lead to a convincing result. Thus, the concept of buying experience developed in this paper may be a more manageable concept for developing the suitable measurements.

6   SUMMARY

The aim of this study was to explore the relevance of customer experience during his/her transitions between online and offline retail channels in customer buying experience. In order to achieve this aim, the concept of customer buying experience had to be created based on the multichannel customer buying process and previous literature on customer experience. The three research questions structuring this research were: (1) What are the main features of customer buying process in multichannel environment? (2) How does customer buying experience form in context of multichannel retailing? (3) What is the role of customer transitions between online and offline channels in forming of customer buying experience?

The literature review proceeded answering these questions, revealing the complexity of multichannel customer buying process and underlying factors affecting channel choice, such as customer shopping goals, their socio-demographic profile, perceived risks and product characteristics. Also the notion of customer journey was taken into consideration while exploring the context. Next, the literature review focused on constructing the notion of customer buying experience. Firstly, the vast topic of customer experience was reviewed and the understanding of the notion, and its dimensions and relations to other concepts, was achieved. Based on the definition and dimensions of customer experience, and on the nature of multichannel buying process, the concept of customer buying experience was derived. It was suggested, that customer buying experience can be defined as a dynamic construct of customer's direct interactions with a retailer during service encounter across all three stages of customer buying process. Further, the elements of customer buying experience were studied more carefully and compared to the elements of service quality, while both the similarities and the differences between them were revealed. The role of moderators, affecting the relationship between the customer buying experience and its constructs, was also addressed. Finally, the topic of channel integration, omnichannel strategies and other factors of the fluency of the transitions between retail channels was considered. It revealed, that new technology not only affects business models, but also customer experiences and customer expectations. The literature review was finalised with the conceptual framework, including the determinants and moderators of customer buying experience in offline and online environments.

The qualitative empirical research supported the framework apart from few exceptions, answering the research questions. The individual semi-structured theme interviews and focus group discussions were used as two data collection methods complimenting each other. The thematic content analysis revealed several important topics that were not so evident in the literature review. The new updated framework presented in conclusions illustrated the significance of information, service interface and functional service offerings to customer buying experience, as well as highly utilitarian role of physical cues

brought to the light by the empirical study. Lastly, the transition experience determinants were refined and the role of integrated infrastructure, operations and marketing in the creation of consistent, personalised and seamless customer buying experiences was emphasised.

Finally, the managerial implications and ideas for future research have been discussed. There is no doubt, that creating exceptional customer buying experiences in the developing retail context is something, that deserves close attention both from managers and researchers in the nearest future.

REFERENCES

Aaker, D. A. – Kumar, V. – Day, G. S. (1995) *Marketing research* (5th ed.). New York: John Wiley & Sons.

Accenture 2013 Global Consumer Pulse Survey. Global & U.S. Key Findings. <https://www.accenture.com/t20150523T052453__w__/us-en/_acnme-dia/Accenture/Conversion-Assets/DotCom/Docu-ments/Global/PDF/Strategy_3/Accenture-Global-Consumer-Pulse-Re-search-Study-2013-Key-Findings.pdf>, retrieved 2.4.2016.

Arnold, M. J. – Reynolds, K. E. (2003) Hedonic shopping motivations. *Journal of Retailing*, Vol. 79, 77–95.

Arnould, E. J. – Price, L. L. – Zinkhan, G. (2004) *Consumers (2nd edition).* New York, NY: McGraw-Hill.

Baker, J. – Parasuraman, A. – Grewal, D. – Voss, G. B. (2002) The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions. *Journal of Marketing*, Vol. 66 (2), 120–141.

Balasubramanian, S. – Raghunathan, R. – Mahajan, V. (2005) Consumers in a multichannel environment: product utility, process utility, and channel choice. *Journal of Interactive Marketing*, Vol. 19 (2), 12–30.

Bart, Y. – Shankar, V. – Sultan, F. – Urban, G. (2005) Are the drivers and role of online trust the same for all web sites and consumers? A large-scale exploratory empirical study. *Journal of Marketing*, Vol. 69, 133–152.

Batra, R. – Ahtola, O. T. (1990) Measuring the hedonic and utilitarian sources of consumer attitudes. *Marketing Letters*, Vol. 2 (2), 159–210.

Beatty, S. – Smith, S. (1987) External search effort: an investigation across several product categories. *Journal of Consumer Research*, Vol. 14 (1), 83–95.

Bendoly, E. – Blocher, J. D. – Bretthauer, K. M. – Krishnan, S. – Venkataramanan, M.A. (2005) Online/in-store integration and customer retention. *Journal of Service Research*, Vol. 7 (4), 313–327.

Berry, L. L. – Carbone, L. P. – Haeckel, S. H. (2002) Managing the total customer experience. *MIT Sloan Management Review*, Vol. 43 (3), 85–89.

Berry, L. L. – Zeithaml, V. A. – Parasuraman, A. (1985) Quality counts in services, too. *Business Horizons*, Vol. 28 (3), 44–52.

Bitner, M. J. (1992) Servicescapes: The Impact of Physical Suroundings on Customers And Employees. *Journal of Marketing*, Vol. 56 (2), 57–71.

Brakus, J. J. – Schmitt, B. H. – Zarantonello, L. (2009) Brand experience: what is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, Vol. 73 (3), 52–68.

Browne, G. J. – Durrett, J. R. – Wetherbe, J. C. (2004) Consumer reactions toward clicks and bricks: investigating buying behaviour on-line and at stores. *Behaviour & Information Technology*, Vol. 23 (4), 237–245.

Bruner, G.C.I. – Pomazal, R.J. (1988) Problem recognition: the crucial first stage of the consumer decision process, *The Journal of Services Marketing*, Vol. 2 (3), 43–53.

Butler, P. – Peppard, J. (1998) Consumer purchasing on the Internet: Processes and prospects. *European Management Journal*, Vol. 16 (5), 600–610.

Bäckström, K. – Johansson, U. (2006) Creating and consuming experiences in retail store environments: comparing retailer and consumer perspectives. *Journal of Retailing and Consumer Services*, Vol. 13, 417–430.

Chaffey, D. – Chadwick, F.E. – Johnston, K. – Mayer, R. (2006) *Internet marketing: strategy, implementation and practice (3rd ed.).* Financial Times/Prentice Hall.

Chen, J.-S. – Ching, R. K. H. – Tsou, H. T. (2009) Multi-channel store image and the effects on purchase intention. *The Service Industries Journal*, Vol. 29 (9), 1215–1230.

Chiu, H.-C. – Hsieh, Y.-C. – Roan, J. – Tseng, K.-J. – Hsieh, J.-K. (2011) The challenge for multichannel services: Cross-channel free-riding behaviour. *Electronic Commerce Research and Applications*, Vol. 10 (2), 268–277.

Ciceo, Andreea (2012) Attending live performing arts experiences. Why and how is the decision taken? *Annals of the University of Oradea, Economic Science Series*, Vol. 21 (1), 1119–1126.

Clark, D. (2013) Using social media to map the consumer journey to the customer experience. My customer report, 3 May. <http://www.mycustomer.com/feature/experience/keys-engagement-mapping-customer-journey-customer-experience/164707>, retrieved 2.4.2017.

Dai, B. – Forsythe, S. – Kwon, W.-S. (2014) The Impact of Online Shopping Experience on Risk Perceptions and Online Purchase Intentions. *Journal of Electronic Commerce Research*, Vol. 15 (1), 13–24.

de Farias, S. A. – Aguiar, E. C. – Melo, F. V. S. (2014) Store Atmospherics and Experiential Marketing: A Conceptual Framework and Research Propositions for An Extraordinary Customer shopping experience. *International Business Research*, Vol. 7 (2), 87–99.

de Keyser, A. – Schepers, J. – Konuş, U. (2015) Multichannel customer segmentation: Does the after-sales channel matter? A replication and extension. *International Journal of Research in Marketing*, Vol. 32, 453–456.

Devaraj, S. – Fan, M. – Kohli, R. (2002) Antecedents of b2c channel satisfaction and preference: Validation e-Commerce metrics. *Information Systems Research*, Vol. 13 (3), 316–333.

Dholakia, U. M. – Kahn, B. E. – Reeves, R. – Rindfleisch, A. – Stewart, D. – Taylor, E. (2010) Consumer behavior in a multichannel, multimedia retailing environ-ment. *Journal of Interactive Marketing*, Vol. 24 (2), 86–95.

Dick, A. S. – Basu, K. (1994) Customer loyalty: Toward an integrated conceptual framework. *Journal of Academy of Marketing Science,* Vol. 22 (2), 99–113.

Donthu, N. – Yoo, B. (1998) Cultural influences on service quality expectations. *Journal of Service Research*, Vol. 1 (2), 178–186.

Eliot & Associates 2005. Guidelines for Conducting a Focus Group <https://assessment.trinity.duke.edu/documents/How_to_Conduct_a_Focus_Group.pdf>, retrieved 3.4.2016.

Elliot, S. – Fowell, S. (2000) Expectations versus Reality: A Snapshot of Customer Experience on Internet Retailing. *International Journal of Information Management*, Vol. 20 (5), 323–337.

Emrich, O. – Paul, M. – Rudolph, T. (2011) The Impact of Multichannel Assortment Integration on Customer Choice, in: Enhancing Knowledge Development in Marketing: Proceedings of the 2011 AMA Summer Educators´ Conference, Vol. 22, 326–327.

Engel, J. F. – Blackwell, R. D. – Miniard, P. W. (1995) *Consumer Behavior*, 8th ed., Harcourt Education, Fort Worth, TX.

Eriksson, P. – Kovalainen, A. (2008) *Introducing Qualitative Methods: Qualitative methods in business research*: SAGE Publications Ltd.

Eskola, J. – Suoranta, J. (1998) Johdatus laadulliseen tutkimukseen, 2nd ed., Vastapaino: Tampere.

Farnham, K. – Newbery, P. (2013) *Experience Design: A Framework for Integrating Brand, Experience, and Value*. Hoboken, New Jersey: Wiley.

Fishbein, Martin A. (1972) The search for attitudinal-behavior consistency. In: *Behavioral Science Foundations of Consumer Behavior*, ed. by Joel B. Cohen, 245–252. Free Press, New York.

Frambach, R. T. – Roest, H. C. A. – Krishnan, T. V. (2007) The impact of consumer internet experience on channel preference and usage intentions across the different stages of the buying process. *Journal of Interactive Marketing*, Vol. 21 (2), 26–41.

Frow, P. – Payne, A. (2007) Towards the 'perfect' customer experience. *Journal of Brand Management*, Vol. 15 (2), 89–101.

Gentile, C. – Spiller, N. – Noci, G. (2007) How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, Vol. 25 (5), 395–410.

Gilly, M. C. – Graham, J. L. – Mary, F. W. – Yale, L. J. (1998) A dyadic study of interpersonal information search. *Journal of Academy of Marketing Science,* Vol. 26 (2), 83–100.

Goodman, John A. (2009) *Strategic Customer Service: Managing the Customer Experience to Increase Positive Word of Mouth, Build Loyalty, and Maximize Profits.* AMACOM Books, Saranac Lake, NY, USA.

Grewal, D. – Levy, M. – Kumar, V. (2009) Customer Experience Management in Retailing: An Organizing Framework. *Journal of Retailing*, Vol. 85 (1), 1–14.

Griffiths, G. H. – Howard, A. (2008). Balancing clicks and bricks - strategies for multichannel retailers. *Journal of Global Business Issues*, Vol. 2 (1), 69–75.

Grønholdt, L. – Martensen, A. – Jørgensen, S. – Jensen, P. (2015) Customer experience management and business performance. *International Journal of Quality and Service Sciences*, Vol. 7 (1), 90–106.

Grönroos, C. – Voima, P. (2013) Critical service logic: Making sense of value creation and co-creation. *Journal of Academy of Marketing Science*, Vol. 41 (2), 133–150.

Grönroos, C. (1988) Service quality: The six criteria of good perceived service. *Review of Business*, Vol. 9 (3), 10–13.

Hair, J. F. – Samouel, P. – Page, M. J. – Celsi, M. – Money, A. H. (2016) *The Essentials of Business Research Methods*, 3rd edition, New York: Routledge.

Hall, A. L. – Rist, R. C. (1999) Integrating multiple qualitative research methods or avoiding the precariousness of a one-legged stool. *Psychology & Marketing,* Vol. 16 (4), 291–304.

Halvorsrud, R. – Kvale, K. – Følstad, A. (2016) Improving service quality through customer journey analysis. *Journal of Service Theory and Practice*, Vol. 26 (6), 840–867.

Helkkula, A. – Kelleher, C. – Pihlstrom, M. (2012) Characterizing value as an experience: implications for researchers and managers. *Journal of Service Research*, Vol. 15 (1), 59–75.

Hoffman, D.L. – Novak, T.P. (2009) Flow online: lessons learned and future prospects. *Journal of Interactive Marketing*, Vol. 23 (1), 23–34.

Holbrook, M. B. – Hirschman, E. C. (1982) The experiential aspects of consumption: consumer fantasies, feelings and fun. *Journal of Consumer Research*, Vol. 9 (2), 132–140.

Hongyoun Hahn, K. – Kim, J. (2009) The Effect of Offline Brand Trust and Perceived Internet Confidence on Online Shopping Intention in the Integrated Multi-Channel Context. *International Journal of Retail & Distribution Management*, Vol. 37 (2), 126–141.

Kaenzig, R. – Hyatt, E. – Anderson, S. (2007) Gender Differences in College of Business Educational Experiences. *Journal of Education for Business*, Vol. 83 (2), 95–100.

Kahneman, D. – Frederickson, B. L. – Schreiber, C. A. – Redelmeier, D. A. (1993) When more pain is preferred to less: Adding a better end. *Psychological Science*, Vol. 4 (6), 401–405.

Kaltcheva, V. – Weitz, B. (2006) When should a retailer create an exciting store environment? *Journal of Marketing*, Vol. 70 (1), 107–118.

Kananen, J. (2008) *Kvali: Kvalitatiivisen tutkimuksen teoria ja käytänteet*. Jyväskylän ammattikorkeakoulu, Jyväskylä.

Kim, J.-H. – Kim, M. – Kandampully, J. (2007) The Impact of Buying Environment Characteristics of Retail Websites. *The Service Industries Journal*, Vol. 27 (7), 865–880.

Konuş, U. – Verhoef, P.C. – Neslin, S.A. (2008) Multichannel shopper segments and their covariates. *Journal of Retailing*, Vol. 84 (4), 398–413.

Kotler, P. – Keller, K. L. – Brady, M. – Goodman, M. – Hansen, T. (2012) *Marketing Management (2nd edition).* Pearson/Prentice Hall, London.

Koufaris, M. – Hampton-Sosa, W. (2002) *Customer trust online: examining the role of the experience with the web site*, working paper, CIS Working Paper Series, New York, NY, May.

Kushwaha, T. – Shankar, V. (2013) Are Multichannel Customers Really More Valuable? The Moderating Role of Product Category Characteristics. *Journal of Marketing*, Vol. 77, 67–85.

Ladhari, Riadh (2010) Developing e-service quality scales: A literature review. *Journal of Retailing and Consumer Services*, Vol. 17 (6), 464–477.

Lemke, F. – Clark, M. – Wilson, H. (2011) Customer experience quality: an exploration in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science*, Vol. 39, 846–869.

Lemon, K. N. – Verhoef, P. C. (2016) Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, Vol. 80 (6), 69–96.

Liao, C-H. – Yen, H. R. – Li, E. Y. (2011) The effect of channel quality inconsistency on the association between e-service quality and customer relationships. *Internet Research*, Vol. 21 (4), 458–478.

Lihra, T. – Graf, R. (2007) Multi-channel communication and consumer choice in the household furniture buying process. *Direct Marketing: An International Journal*, Vol. 1 (3), 146–160.

Lim, W.M. (2014) Understanding the Influence of Online Flow Elements on Hedonic and Utilitarian Online Shopping Experiences: A Case of Online Group Buying. *Journal of Information Systems*, Vol. 28 (2), 287–306.

Liu, B.S-C. – Furrer, O. – Sudharshan, D. (2001) The relationships between culture and behavioral intentions toward services. *Journal of Service Research*, Vol. 4 (2), 118–129.

Maslow, A. H. (1943) A Theory of Human Motivation. *Psychological Review,* Vol. 50 (4), 370–396. <http://psychclassics.yorku.ca/Maslow/motivation.htm>, retrieved 26.5.2016.

Mathwick, C. – Rigdon, E. (2004) Play, flow, and the online search experience. *Journal of Consumer Research,* Vol. 31(2), 324–332.

Melis, K. – Campo, K. – Breugelmans, E. – Lamey, L. (2015) The Impact of the Multi-channel Retail Mix on Online Store Choice: Does Online Experience Matter? *Journal of Retailing,* Vol. 91 (2), 272–288.

Merriam-Webster Online Dictionary, < https://www.merriam-webster.com/dictionary/experience>, retrieved 13.4.2017.

Merriam-Webster Online Thesaurus, < https://www.merriam-webster.com/thesaurus/experience>, retrieved 13.4.2017.

Meyer, C. – Schwager, A. (2007) Understanding Customer Experience. *Harvard Business Review,* February Issue, 117–126.

Midgley, D. F. (1983) Patterns of interpersonal information seeking for the purchase of a symbolic product. *Journal of Marketing Research*, Vol. 20, 74–83.

Möller, J. – Herm, S. (2013) Shaping Retail Brand Personality Perceptions by Bodily Experiences. *Journal of Retailing*, Vol. 89 (4), 438–446.

Mourali, M. – Laroche, M. – Pons, F. (2005) Antecedents of consumer relative preference for interpersonal information sources in pre-purchase search. *Journal of Consumer Behaviour,* Vol. 4(5), 307–318.

Nasco, S. A. – Hale, D. (2009) Information search for home, medical, and financial services by mature consumers. *The Journal of Services Marketing,* Vol. 23 (4), 226‒235.

Neslin, S. A. – Grewal, D. – Leghorn, R. – Shankar, V. et al. (2006) Challenges and Opportunities in Multichannel Customer Management. *Journal of Service Research,* Vol. 9 (2), 95–112.

Neslin, S. A. – Shankar, V. (2009) Key issues in multichannel customer management: Current knowledge and future directions. *Journal of Interactive Marketing,* Vol. 23 (1), 70–81.

Norton, D. W. – Pine, B. J. (2013) Using the customer journey to road test and refine the business model. *Strategy & Leadership*, Vol. 41(2), 12–17.

Novak, T. P. – Hoffman, D. L. –Yung, Yiu-Fai (2000) Measuring the customer experience in online environments: A structural modelling approach. *Marketing Science*, Vol. 19 (1), 22–42.

Nsairi, Z. B. (2012) Managing browsing experience in retail stores through perceived value: implications for retailers. *International Journal of Retail & Distribution Management*, Vol. 40 (9), 676–698.

O'Neill, M. – Palmer, A. (2003) An exploratory study of the effects of experience on consumer perceptions of the service quality construct. *Managing Service Quality: An International Journal*, Vol. 13 (3), 187–196.

Ofir, C. – Simonson, I. (2007) The Effect of Stating Expectations on Customer Satisfaction and Shopping Experience. *Journal of Marketing Research*, Vol. 44 (1), 164–174.

Palmer, Adrian (2010) Customer experience management: a critical review of an emerging idea. *The Journal of Services Marketing*, Vol. 24 (3), 196–208.

Parasuraman, A. – Zeithaml, V. A. – Malhotra, A. (2005) E-S-Qual: a multiple-item scale for assessing electronic service quality. Journal of Service Research, Vol. 7 (3), 213–233.

Payne, A. – Storbacka, K. – Frow, P. (2008) Managing the co-creation of value. *Journal of the Academy of Marketing Science*, Vol. 36 (1), 83–96.

Pedraja, M. – Yague, J. (2001) What information do customers use when choosing a restaurant? *International Journal of Contemporary Hospitality Management,* Vol. 13 (6), 316–318.

Pine, B. J. II. – Gilmore, J. H. (1998) Welcome to the experience economy. *Harvard Business Review*, Vol. 76 (4), 97–105.

Pine, B. J. II. – Gilmore, J. H. (1999) *The Experience Economy*. Boston: Harvard Business School Press.

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

Puccinelli, N. M. – Goodstein, R. C. – Grewal, D. – Price, R. – Raghubir, P. – Stewart, D. (2009) Customer Experience Management in Retailing: Understanding the Buying Process. *Journal of Retailing*, Vol. 85 (1), 15–30.

Pullman, C. – Gross, M.A. (1999) Ability of experience design elements to elicit emotions and loyalty behaviors. *Decision Sciences*, Vol. 5 (3), 551–578.

Rapp, A. – Baker, T. L. – Bachrach, D. G. – Ogilvie, J. – Beitelspacher, L.S. (2015) Perceived Customer Showrooming Behavior and the Effect on Retail Sales-person Self-Efficacy and Performance. *Journal of Retailing*, Vol. 91 (2), 358–369.

Rau, P. – Samiee, S. (1981) Models of consumer behavior: The state of the art. *Journal of Academy of Marketing Science*, Vol. 9 (3), 300–316.

Rawson, A. – Duncan, E. – Jones, C. (2013) The Truth About Customer Experience. *Harvard Business Review*, September Issue, 90–98.

Rose, S. – Clark, M. – Samouel, P. – Hair, N. (2012) Online Customer Experience in e-Retailing: An empirical model of Antecedents and Outcomes. *Journal of Retailing*, Vol. 88 (2), 308–322.

Ruby, R. D. – Zhao, M. (2010) Effects of online store attributes on customer satisfaction and repurchase intentions. *International Journal of Retail & Distribution Management,* Vol. 38(7), 482–496.

Sachdeva, I. & Goel, S. (2015) Retail store environment and customer experience: a paradigm. *Journal of Fashion Marketing and Management*, Vol. 19 (3), 290–298.

Santasalo, T. – Koskela, K. (2015) *Vähittäiskauppa Suomessa 2015*. Libris Oy, Helsinki. <https://www.pam.fi/media/vahittaiskauppa_suomessa_2015_web_20150629_smaller.pdf>, retrieved 2.4.2016.

Schmitt, B. H. – Zarantonello, L. (2013) Consumer Experience and Experiential Marketing: A Critical Review. *Review of Marketing Research*, Vol. 10, 25–61.

Schmitt, Bernd H. (1999) Experiential Marketing. *Journal of Marketing Management*, Vol. 15 (1-3), 53‒67.

Schmitt, Bernd H. (2010) *Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers*. John Wiley & Sons, Incorporated, Hoboken, NJ, USA.

Schoenbachler, D. D. – Gordon, G. L. (2002) Multi-channel shopping: Understanding what drives channel choice. *Journal of Consumer Marketing*, Vol. 19 (1), 42–53.

Seck, A. M. – Philippe, J. (2013) Service encounter in multi-channel distribution context: virtual and face-to-face interactions and consumer satisfaction. *The Service Industries Journal*, Vol. 33 (6), 565–579.

Sharma, M. – Chaubey, D. S. (2014) An empirical study of customer experience and its relationship with customer satisfaction towards the services of banking sector. *Journal of Marketing & Communication*, Vol. 9 (3), 18–27.

Social Science Tools for Coastal Programs 2015. Introduction to Conducting Focus Groups. <https://coast.noaa.gov/data/digitalcoast/pdf/focus-groups.pdf>, retrieved 3.4.2016.

Solomon, M. R. (2002) *Consumer Behavior: Buying, Having, and Being*. Prentice Hall, Upper Saddle River, New Jersey.

Steinfield, C. – Bouwman, H. – Adelaar, T. (2002) The Dynamics of Click-and-Mortar Electronic Commerce: Opportunities and Management Strategies. *International Journal of Electronic Commerce*, Vol. 7 (1), 93–119.

Steinfield, Charles (2002) Understanding Click and Mortar E-Commerce Approaches. *Journal of Interactive Advertising*, Vol. 2 (2), 1–10.

Trevinal, A. M. – Stenger, T. (2014) Toward a conceptualization of the online shopping experience. *Journal of Retailing and Consumer Services*, Vol. 21 314–326.

van Doorn, J. – Verhoef, P. C. (2008) Critical Incidents and the Impact of Satisfaction on Customer Share. *Journal of Marketing*, Vol. 72 (4), 123–142.

Vargo, S. L. – Lusch, R. F. (2008) Service-dominant logic: continuing the evolution. *Journal of the Academy of Marketing Science*, Vol. 36 (1), 1–10.

Verhoef, P. C. – Kannan, P. K. – Inman, J. J. (2015) From Multi-Channel Retailing to Omni-Channel Retailing: Introduction to the Special Issue on Multi-Channel Retailing. *Journal of Retailing,* Vol. 91 (2), 174–181.

Verhoef, P. C. – Lemon, K. N. – Parasuraman, A. – Roggeveen, A. – Tsiros, M. – Schlesinger, L. A. (2009) Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing,* Vol. 85 (1), 31–41.

Verhoef, P. C. – Neslin, S. A. – Vroomen, B. (2007) Multi-Channel Customer Management: Understanding the Research Shopper Phenomenon. *International Journal of Research in Marketing*, Vol. 24 (2), 129–148.

Wen, C. – Prybutok, V. R. – Blankson, C. – Fang, J. (2014) The role of E-quality within the consumer decision making process. *International Journal of Operations & Production Management,* Vol. 34 (12), 1506–1536.

Winch, G. – Joyce, P. (2006) Exploring the dynamics of building and losing consumer trust in B2C e-business. *International Journal of Retail & Distribution Management*, Vol. 34 (7), 541–555.

Wolfinbarger, M. – Gilly, M. (2000) Shopping online for freedom, control and fun. *California Management Review,* Vol. 43 (2), 34–55.

Wolny, J. – Charoensuksai, N. (2014) Mapping customer journeys in multichannel deci-sion-making. *Journal of Direct, Data and Digital Marketing Practice*, Vol. 15 (4), 317–326.

Yoo, Joanne Jung-Eun (ed.) (2005) *Factors affecting association convention partici-pa-tion decision-making process*. ProQuest, UMI Dissertations Publishing, Ann Arbor.

APPENDICES

Appendix 1   Data collection framework for focus group discussions

Engagement questions
1. How do you shop for furniture and other interior design products for your home?
2. What is your favourite store for shopping these items and why?
Exploration questions
3. How do you use different retail channels provided by a company before, during and after purchase? Do you switch? What makes you behave that way?
4. What was your most memorable experience (good or bad) with a company before, during and after purchase of the products of this category? (or What did or didn't you like about your last interactions with a company?)
5. What did you think/feel about the transitions from one channel to another during interactions with a company? Are they important? Can they be improved?
6. If you could improve something you have experienced during your buying process, how would you improve it? Do you see any opportunity for mobile technology?
Exit question
7. Is there anything else you would like to add to what would make your buying experience and transitions through channels better?

Appendix 2   Data collection framework for individual theme interviews

Themes	Free-form questions depending on the discussion flow
Buying behaviour in a multichannel context	• Describe, how do you shop for furniture and other interior design products for your home? • What is your favourite store for shopping these items and why? • How do you use different channels provided by a company before, during and after purchase? Have you ever switched channel during buying? Why? • Do you often switch companies while switching channels? And while proceeding through your buying process?
Experience in an online store before, during and after purchase*	• What was your last memorable interaction with a furniture or interior design retailer like in their online store? Describe it. • What was it like to search and compare products in company's online store last time you did it? • What was it like to purchase products in company's online store last time you did it? • What was it like to interact with the company after purchase in company's online store last time you did it? • Was your experience more positive or negative in general? Why, what did affect it? • What was important while interacting with this channel?
Experience in the physical store before, during and after purchase*	• What was your last memorable interaction with a furniture or interior design retailer like in their physical store? Describe it. • What was it like to search and compare products in company's physical store last time you did it? • What was it like to purchase products in company's physical store last time you did it? • What was it like to interact with the company after purchase in company's physical store last time you did it? • Was your experience more positive or negative in general? Why, what did affect it? • What was important while interacting with this channel?
Experience during transitions from channel to channel	• How would you describe your transitions from online store to physical store and vice versa inside one company during your buying process? Were these transitions smooth or frustrating? • What in your opinion is important while switching from one channel to another? How can it be improved?
Future	• If you could improve something you have experienced during your buying process, how would you improve it? • Do you see any opportunity for mobile technology in furniture and interior design retail? • What, in your opinion, is the future of furniture and interior design retailers?
*Questions asked depending on usual channel use.	

Appendix 3   Plan for conducting focus group discussions

PREPARATION
- Prepare questions and conduct pilot test (week 21).
- Reserve a place for focus group sessions (week 26).
- Select and invite focus group participants (weeks 27–33)
  - via email (weeks 27–29),
  - personally (weeks 29–32),
  - distribute invitations in Hansa (28.7.) and Vepsäläinen (13.8).
- Prepare for moderation and conduct two focus group sessions (25.8, 5.9).

PREPARATION OF THE PLACE FOR A FOCUS GROUP SESSION
- Seating plan: a round table for 4–6 people.
- Items needed: moderator notes, pens and paper, name tags, water, tee, coffee, paper cups, paper plates, napkins, electric kettle, sweet and savoury servings.
- Storage devices: tested digital voice recorder and spare batteries.

AFTER SESSION
- Clean the space, return keys.
- Thank participants via email.
- Save and transcribe recordings.

Appendix 4   Invitation for women focus group discussion

KUTSU FOKUSRYHMÄTUTKIMUKSEEN

Arvoisat naiset!

Olisitko kiinnostunut jakamaan kokemuksia kodinsisustustavaroiden ostamisesta, tutustumaan uusiin ihmisiin ja samalla osallistumaan gradututkimukseen?

Olen maisterivaiheen markkinoinnin opiskelija Turun kauppakorkeakoulusta ja suoritan pro gradu työtäni varten fokusryhmä-tutkimuksen. Työni koskee kuluttajan ostokokemuksia monikanavamyynnin kontekstissa kodinsisustusalalla. Eniten minua kiinnostaa, millaiset kokemukset Sinulla on ollut kodinsisustustavaroiden ja huonekalujen ostamisen aikana, jos olet käyttänyt sekä verkkokaupan että tavallisen myymälän palveluita.

Fokusryhmähaastattelu on valikoidussa ryhmässä tapahtuva ja haastattelijan ylläpitämä keskustelu. Tulet jakamaan mielipiteitäsi 6–8 työelämässä tai yrittäjäasemassa olevien aikuisten naisten joukossa. Mielipiteitäsi ja vastauksesi kysymyksiin nauhoitetaan analyysia varten ja pidetään nimettömänä. Nauhoitus tulee olemaan vain minun käsittelyssäni.

Tilaisuus kestää noin 1,5–2 tuntia ja tarjolla on kahvia ja sekä suolaista että makeata syötävää. Osallistujien kesken arvotaan myös 25 € arvoisen sisustuskaupan lahjakortin.

Päivä:	To 25.8
Aika:	klo 17:00–19:00
Paikka:	Luentosali 04, Pohjakerros Turun kauppakorkeakoulu Rehtorinpellonkatu 3, 20500 Turku

Löydät oikean salin seuraamalla Turun kauppakorkeakoulun aulassa olevia opasteita.

Mikäli olisit kiinnostunut osallistumaan tähän tutkimukseen, otathan yhteyttä minuun ennen maanantaita 22.8 varmistamalla osallistumisesi (ekapan@utu.fi).

Ystävällisin terveisin,

Ekaterina Panina
Turun kauppakorkeakoulun opiskelija, Markkinoinnin laitos
puh. 0468452992

Kiitos avustanne!

Appendix 5   Invitations for student focus group discussion

VL: Kutsu fokusryhmätutkimukseen

✕ POISTA   ← VASTAA   ≪ VASTAA KAIKILLE   → LÄHETÄ EDELLEEN   •••

TSE gradukyselyt
ke 17.08.2016 12:24

Merkitse lukemattomaksi

Vastaanottaja: TSE Vuosikurssi 2010; TSE Vuosikurssi 2011; TSE Vuosikurssi 2012; TSE Vuosikurssi 2013; TSE Vuosikurssi 2014; TSE Vuosikurssi 2015;

KUTSU FOKUSRYHMÄTUTKIMUKSEEN

Hei!

Oletko muuttanut omaan kämppään opiskelujen aikana? Onko vielä tuoreena muistissa huonekalujen, verhojen ja sisustustyynyjen ostaminen? Olisitko sitten kiinnostunut jakamaan kokemuksia kodinsisustustavaroiden ostamisesta, tutustumaan uusiin ihmisiin ja samalla osallistumaan gradututkimukseen?

Olen maisterivaiheen markkinoinnin opiskelija Turun kauppakorkeakoulusta ja suoritan pro gradu työtäni varten fokusryhmä-tutkimuksen. Työni koskee kuluttajan ostokokemuksia monikanavamyynnin kontekstissa kodinsisustusalalla. Eniten minua kiinnostaa, millaiset kokemukset Sinulla on ollut kodinsisustustavaroiden ja huonekalujen ostamisen aikana, jos olet käyttänyt sekä verkkokaupan että tavallisen myymälän palveluita.

Fokusryhmähaastattelu on valikoidussa ryhmässä tapahtuva ja haastattelijan ylläpitämä keskustelu. Tulet jakamaan mielipiteitä 6–8 sisustuksesta kiinnostuneiden opiskelijoiden joukossa. Mielipiteitäsi ja vastauksesi kysymyksiin nauhoitetaan analyysia varten ja pidetään nimettömänä. Nauhoitus tulee olemaan vain minun käsittelyssäni.

Tilaisuus kestää noin 1,5 tuntia ja tarjolla on kahvia ja syötävää. Osallistujien kesken arvotaan myös 10 € arvoisen Stockmannin lahjakortin.

Päivä: Ma 5.9
Aika: klo 16:00–18:00
Paikka: Luentosali 04, Turun kauppakorkeakoulu, Rehtorinpellonkatu 3, 20500 Turku

Löydät oikean salin seuraamalla Turun kauppakorkeakoulun aulassa olevia opasteita.

Mikäli olisit kiinnostunut osallistumaan tähän tutkimukseen, otathan yhteyttä minuun ennen maanantaita 29.8 vastaamalla tähän sähköpostiin.

Ystävällisin terveisin,
Katerina Panina
puh. 0468452992