

CUSTOMER EXPERIENCE IN OMNICHANNEL RETAILING- CHALLENGES AND OPPORTUNITIES

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Abstract

This study examines customer experience in omnichannel retailing, focusing on challenges and opportunities in Chennai. Omnichannel retailing integrates physical stores, e-commerce, mobile apps, and social media to create a seamless shopping experience. Retailers face challenges such as technological integration, data fragmentation, and high operational costs. Yet, these platforms offer opportunities to enhance personalization, convenience, and customer loyalty through unified data and innovative services. A descriptive research design was applied, utilizing a structured questionnaire administered to 110 respondents selected by simple random sampling. Data were analyzed using descriptive statistics, correlation, and Chi-Square tests. Results show that most respondents are aged 26–45, with balanced gender representation and moderate incomes. Significant correlations were found between age, occupation, and perceptions of price consistency, delivery, and ease of returns. Chi-Square analysis revealed a strong association between online shopping frequency and monthly income. The study concludes that despite operational and technological barriers, omnichannel retailing offers valuable potential to improve customer satisfaction, loyalty, and retailer competitiveness.

Keywords: Customer experienceOmnichannel retailing,Digital retail, Online-offline coordination

Introduction

Omnichannel retailing has emerged as a strategic approach for modern retailers seeking to deliver a seamless and integrated customer experience across multiple touchpoints, including physical stores, e-commerce platforms, mobile applications, social media, and call centers. Unlike traditional multichannel retailing, where channels operate independently, omnichannel retailing emphasizes coordination among all channels to provide a consistent brand experience and improve customer satisfaction. Positive customer experiences are linked to higher satisfaction, loyalty, and repeat purchases, making it a critical success factor for retailers. The increasing use of digital technologies, the rise of mobile commerce, and changing consumer expectations have made omnichannel strategies essential for competitive advantage.

Despite its potential, omnichannel retailing poses significant challenges. These include technological integration issues, data fragmentation, and complex inventory management, which often lead to increased operational costs. For instance, legacy IT systems can hinder real-time data synchronization between online and offline platforms, affecting inventory visibility and personalization efforts. Conversely, omnichannel retailing offers

significant opportunities. Integrated data systems allow retailers to personalize marketing, optimize inventory, and implement innovative service models such as “click-and-collect” and “ship-from-store”. In emerging markets like India, where consumer expectations and digital adoption are rapidly increasing, omnichannel retailing represents a major opportunity to improve customer satisfaction and operational efficiency.

This research paper aims to examine the challenges and opportunities of customer experience management in omnichannel retailing. By understanding these factors, retailers can develop effective strategies to enhance customer satisfaction, build loyalty, and gain a sustainable competitive advantage in the evolving retail environment.

Objectives of the Study

- To identify the challenges faced by customers in omnichannel retailing.
- To analyze the opportunities for enhancing customer experience.
- To examine the relationship between demographic factors and shopping patterns.

Limitations of the Study

- Small sample size may not fully represent the broader customer population.
- The study relies on self-reported survey responses, which may have bias..

Review of literature

Khalid et al. (2024) found that fashion retailers enhance customer satisfaction by integrating advanced technologies and personalizing interactions across channels. The study also identified challenges such as data privacy, channel coordination, and the importance of empowering staff to deliver consistent service in a customer-centric environment.

Thaichon et al. (2024) emphasized the dual role of technology, highlighting how advances like AI, AR, and unified digital platforms offer seamless experiences but also raise privacy and resource concerns for retailers. Their findings recommend strategic channel integration and investment in IT infrastructure for optimal performance.

Gibson (2024) proposed a framework to understand consumer value-in-use within omnichannel retailing. The study emphasized how customers derive value through seamless integration across multiple channels. It highlighted the interdependence of online and offline touchpoints in shaping purchase experiences. The framework explored how channel consistency enhances satisfaction and loyalty.

Radomska et al. (2024) identify key challenges in implementing omnichannel strategies, such as operational complexity and fragmented data systems. They develop an “omnichannel obstacles” scale highlighting issues like poor inventory visibility and soloed departments. The study shows that disconnected processes and weak technology integration disrupt customer experiences.

Huang (2021) provided a historical perspective and synthesis of omnichannel retailing literature, noting the evolution from multichannel to omnichannel approaches that now require seamless consumer experiences regardless of channel, with technology and consumer behavior as key drivers.

Methodology

The study uses a descriptive research design to examine customer experience in omnichannel retailing, focusing on the challenges and opportunities faced by consumers in Chennai. Data was collected using a structured questionnaire as the primary source, which included questions on product availability, pricing, delivery, returns, promotions, and overall satisfaction, along with secondary sources like books, journals, and online articles to support the study. Simple random sampling was applied to select the respondents, ensuring that every consumer had an equal chance of being included, and the sample size was 110 respondents from various age groups, genders, occupations, and income levels. The collected data was analyzed using descriptive analysis to summarize the demographic and economic profiles, correlation analysis to examine relationships between factors such as age, occupation, and satisfaction, ANOVA (Analysis of Variance) to compare mean differences across occupational groups regarding perceived benefits, and Chi-Square tests to study associations between categorical variables like shopping frequency and monthly income. The methodology ensures a comprehensive understanding of customer behavior across online and offline retail channels.

Data Analysis and Interpretation

Table -1

Demographic variables of Respondents

Demographic Variables	Categories	No of Respondents	Percentage
Age	Below 18	2	2
	18–25	13	12
	26–35	52	47

	36–45	32	29
	46–60	11	10
	Total	110	100
Gender	Male	50	45
	Female	49	45
	Prefer not to say	11	10
	Total	110	100
Occupation	Students	14	13
	Employed	20	18
	Self-Employed	36	33
	Homemaker	31	28
	Other	9	8
	Total	110	100
Monthly Income	Less than 20000	27	25
	20000–50000	57	52
	50000–100000	26	24
	Total	110	2

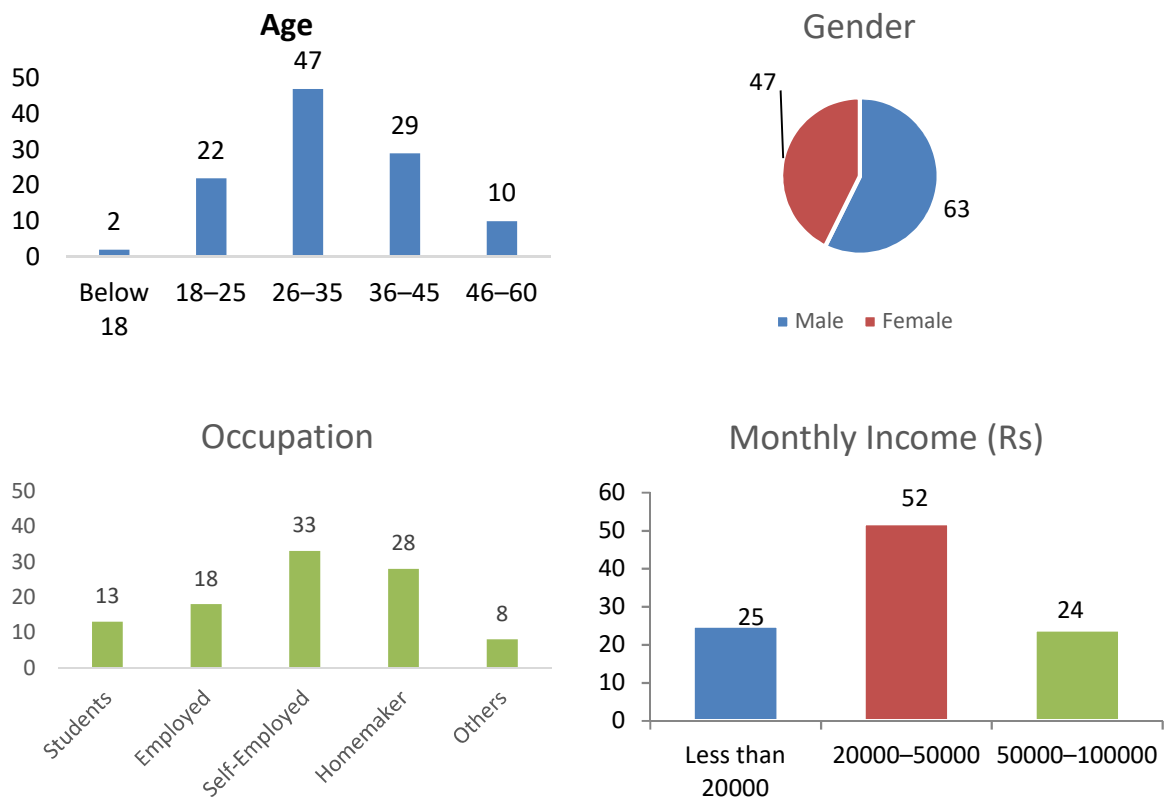
Source: Primary Data

INTREPRETATION

The demographic composition of the sample is diverse but consistent. Middle-aged respondents make up the majority of the sample, suggesting that they are likely to have steady jobs and family obligations. The virtually equal proportion of men and women who took part guarantees that the views of both sexes are well represented. From an occupational perspective, the high number of independent contractors and stay-at-home moms indicates a population that values stability in the home and freedom. The sample is given a younger, more professional dimension by include students and salaried workers. The majority of responders are middle-class, indicating a reasonable level of financial stability. This mix of professional backgrounds, balanced gender representation, and maturity suggests a sample that can offer practical insights on lifestyle trends, consumer habits, and decision-making tendencies.

Chart 1.

Demographic Profile Distribution of Respondents by Age, Gender, Occupation, and Monthly Income

**Table 2:****Correlation Analysis of Demographic and Omnichannel Shopping Variables**

	1	2	3	4	5	6	7	8
Age	1							
Occupation	.270**	1						
It is easy to find products across online and offline channels.	0.154	0.094	1					
Prices and product information are consistent across all channels.	.344**	.363**	.274**	1				
Delivery and order pick-up are usually on time.	0.153	0.047	-0.001	.209*	1			

Returning or exchanging products is simple	-0.054	-0.111	.220*	0.074	-.01	1		
I receive offers and promotions that match my interests.	-0.142	-0.103	0.009	-.0163	-.01	-0.02	1	
Overall, I am satisfied with the brand's omnichannel shopping service.	0.078	0.122	0.107	0.168	-0	0.04	-.209*	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

INTREPRETATION

The table shows how age, occupation, and shopping experiences are related. Age has a significant positive correlation with occupation ($r = 0.270^{**}$) and with price consistency across channels ($r = 0.344^{**}$), meaning older respondents often have stable jobs and notice consistent pricing. Occupation is positively correlated with price consistency ($r = 0.363^{**}$) and finding products easily ($r = 0.094$, not significant). Finding products easily is positively correlated with simple returns/exchanges ($r = 0.220^{*}$). Price consistency is also linked with on-time delivery ($r = 0.209^{*}$). Receiving offers that match interests has a negative correlation with overall satisfaction ($r = -0.209^{*}$). Only correlations with ** or * are statistically significant.

Table 3:

ANOVA of the Most Valued Benefits of Omnichannel Retailing by Occupation

Demographic Variable	N	Mean	Std. Deviation	F	Sig.
Students	14	2.86	1.231	1.492	0.21
Employed	20	2.75	1.118		
Self-Employed	36	2.53	1.23		
Homemaker	31	3.1	1.076		
Other	9	3.33	1		
Total	110	2.84	1.162		

INTREPRETATION

Table 3 presents the results of a one-way ANOVA comparing how respondents from different occupational groups value the benefits of omnichannel retailing. The mean scores

indicate that “Other” occupations (Mean = 3.33) and Homemakers (Mean = 3.10) perceive the benefits of omnichannel retailing as more valuable compared to Students (Mean = 2.86), Employed respondents (Mean = 2.75), and Self-Employed individuals (Mean = 2.53). The ANOVA test yields an F-value of 1.492 with a significance level ($p = 0.210$), which is greater than the standard threshold of 0.05. This indicates that there is no statistically significant difference in the perceived value of omnichannel retailing benefits among the different occupational groups. In other words, occupation does not appear to significantly influence how respondents value the benefits of omnichannel retailing in this sample.

FINDINGS

- The virtually equal gender distribution shows that both male and female consumers are represented fairly and inclusively.
- The greatest occupational categories are homemakers and self-employed people, which suggests that they are increasingly involved in retail activities.
- Age and occupation are positively correlated with pricing consistency and simplicity of use, highlighting the importance of dependable and intuitive omnichannel experiences.
- A negative relationship between satisfaction and targeted promotions suggests that misaligned personalization can lower engagement and trust.

Suggestions

- To preserve uniformity and foster client trust, make sure that product availability, delivery schedules, and return policies are communicated clearly.
- Customize deals and promotions to suit actual consumer preferences and boost satisfaction.
- To gain the trust of your customers, be sure to communicate clearly about product availability, shipping schedules, and return policies.

Conclusion

Customers value consistent price, reliable delivery, and hassle-free returns. Poorly targeted advertising and fragmented data lower customer satisfaction. The frequency of internet purchasing is influenced by income, thus price and convenience are important considerations. Long-term success and loyalty can be increased by skillfully integrating technology and providing real customisation.

Recommendations for Future research

Future research can expand the sample size and geographic scope to include multiple cities or rural areas, providing a more representative understanding of omnichannel consumer behavior. Studies could also incorporate retailer perspectives to analyze operational, technological, and strategic challenges alongside customer perceptions. Furthermore, investigating the impact of emerging technologies such as AI, AR, and blockchain on omnichannel integration and personalization can provide insights into overcoming current challenges. Longitudinal studies may also help track how evolving digital adoption and consumer expectations shape omnichannel customer experiences over time.

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