Pursuing the Singular Experience

Jinfeng Zhou & Judith Cardona Forney

This insight paper considers how a growing global digital ecosystem impacts consumer retail engagement. Consumers empowered by digital technologies have redefined their expectations for satisfaction and value in the shopping experience. Innovative retail strategies focused on consumer expectations for singular experiences in the path to purchase are key to their engagement.

Shifting Retail Concepts and Digital Technologies

The new millennium ushered in a new retail concept no longer centered on traditional brick-and-mortar stores; rather, retail was being reimagined through the novel idea of shopping online. By the end of the first decade, in-store and online retail experiences were converging into a new multi-channel concept. Consumer shopping had expanded beyond the physical store into online e-commerce and social media platforms. However, it did not take long to realize a multi-channel transformation was needed (Verhoef, Kannan, & Inman, 2015). Issues with navigational flow across digital networks led to experiences that were confusing and frustrating for both consumers and retailers.

Advances in digital technologies addressed many of the complex challenges associated with channel integration in multi-channel operations. By the second decade, a functionally
different omni-channel retail paradigm further diminished the traditional brick-and-mortar model. Where multi-channel retail retained distinct channels, omni-channel retail broke channel boundaries and created a unified, integrated whole (Orendorff, 2018). By incorporating a broader scope of channels that engaged consumer-to-consumer communication through social media (Neslin, et al., 2014), the consumer experience was enhanced by easy navigation across channels (Pruett, 2017). The evolution of omnichannel retail was differentiated by the “synergistic strategy of the numerous available channels and customer touchpoints in such a way that the customer experience across channels and performance over channels is optimized” (Verhoef, Kannan, & Inman, 2015, p. 176).

Rise of Consumer Empowerment

The advancement of multi- to omni-channel retail established a new era of consumer empowerment made possible by the exponential growth of digital communication technologies. In this new digital ecosystem consumers gained both access and tools to become digital transactional actors who could choose when, where, why and how they would pursue their own path to purchase. Thus, consumers became independent agents who interacted with physical and digital retail channels at will.

In PWC’s sixth global study of online shoppers, Maxwell (2017) concluded that consumers hold a position of power as they can easily access choice, value and convenience through a digital device that literally opens up the global marketplace. This digital ecosystem has made consumers more knowledgeable, demanding, and empowered. In turn, it has become more difficult for retailers to meet customer expectations. While the digital ecosystem has extended consumer expectations, it also offered consumers the capacity to create a singular experience through their autonomous navigation in the dynamic path to purchase.

Pursuing Innovative Retail Strategies

The consumer’s journey can be conceptualized as a series of interactions and transactions. O’Brien (2018) suggested consumers move through a four-step path to purchase: (1) research, (2) purchase, (3) receive, and (4) post-purchase. Although a consumer may draw from various touchpoints to complete a shopping journey, the consumer remains the same person across all channels. Thus, a consumer’s accumulated engagements across all touchpoints represents a series of personal events. When considered in total, these events comprise the singular experience that describes a consumer’s actions to achieve a desired goal.

Retailers who focus on a single touchpoint in the consumer’s journey are splitting that experience into isolated fragments. By doing so they have failed to understand their customers well. This approach is primed for producing disappointing customer experiences. Only through collective understanding of consumer engagement across
multiple touchpoints will the retailer be able to create a seamless end-to-end journey (Maechler, Neher & Park, 2016).

An important strategy for producing outcomes of customer satisfaction, improved sales and customer loyalty is to form internal digital connections that manage a consumer’s total journey from start to finish. Moffett (2015) described one retail strategy that links consumer patterns to products and their usage. This four-dimensional customer experience strategy includes personas, engagement channels, usage patterns, and a product portfolio. Amazon applied a similar strategy of core dimensions that used segmentation, targeting and positioning to determine its customer groups. By personalizing communication during the customer’s journey, Amazon can match products and services which are identified as attractive to various customer groups (Dudovskiy, 2018).

Pursuing strategies that address the singular customer experience is gaining momentum. “More than a third of retailers are struggling to implement a strategy to provide a single view of the customer, with a further third seeking to improve in this regard” (PWC, 2017, p. 19). Some retailers are finding success in optimizing the omni-channel customer journey. Rebecca Minkoff is one example. This retailer understands the customer’s preference to combine in-store visits with the use of a mobile app for price comparisons. By connecting offline with online, Rebecca Minkoff created a connected digital store – a specific retailer’s digital ecosystem that offers a broad view of the customer journey. It allows the brand to both keep in touch with the customer as well as provide better experiences for its customers. For example, customers can now pay directly in the fitting room. This strategy has paid off. Within six months, the retailer realized an over six times increase in sales (Sahai, 2018).

Retail success is associated with how well a consumer’s expectation is met by measuring satisfaction with a specific a touchpoint, an overall experience, or a product or a service outcome. When customer satisfaction is elicited from a single measurement it denies the multi-contextual approach consumers use when shopping, especially when that experience flows across both physical and digital spaces. Confusion can emerge when the retailer determines customer satisfaction at a single point to be very high while holistic customer satisfaction across all channels is very low. In this latter scenario, the outcome could be an alarming customer churn as the metric has not captured the customer’s true satisfaction overall.

Retail strategies for driving customer satisfaction need to move incrementally closer to understanding the uniqueness of a consumer’s experience as a series of singular events. A unified data-driven environment which merges unique customer data across a total path to purchase would support this understanding. By offering customers the benefits of integrated touchpoints for seamless transactions across endless aisles, the retailer could create amazing experiences for each customer.

With continuous advancements in digital technology, the role of technology in the future of retail will focus on applications in data collection and analysis, consumer decision...
making, and consumer engagement (Grewal, Roggeveen, & Nordfalt, 2017). It is not unrealistic to expect that in-the-near-future a retailer will be able to collect, sift, analyze, and interpret large aggregated data sets to gain unique information assigned to individual consumers in the organization’s data set. Retailers who use the information they glean from the digital ecosystem will be able to both inform and offer customers the seamless and delightful shopping experience that they desire. By doing so, they will create the personalized and singular experience that consumers desire when shopping.

Pursuing the Singular Experience

Pursuit of the singular experience is potentially the greatest retail transformation yet to come. As consumers better understand their power to chart their own path of discovery in the consumption experience, they will migrate to retailers who are able to translate their expectations into satisfying engagements and fulfilling experiences.

Consumers engage with a retailer because they are looking for solutions. No matter what venue is used for shopping, each consumer decision is guided by a unique set of intrinsic values, efficiencies, and motivations perceived to be aligned with a personal expectation. Doug Stevens, a noted retail futurist, suggests future retail value propositions will need to focus on universal human needs as they offer deeper understanding and structure for understanding individual consumers. He further suggests universals such as the need for security, purpose, belonging, recognition, and respect are powerful ways to connect with the consumer. Moreover, these universals form frameworks for building a brand’s value proposition (Howland, 2020). While meeting universal human needs is not a new concept; its implications for retail success is.

With empowerment, consumer expectations for marketplace engagement are evolving from consumer transactional activities to personal fulfillment pursuits. The digital ecosystem has made it possible by making shopping accessible, connected, and dynamic. To maximize consumer satisfaction, retailers need consumer – grounded strategies that bridge the gap between customer expectations and engagements. By aligning products and services with the consumer’s desire to meet personal values, wants, needs, and expected efficiencies in time, energy and money, the retailer can offer an array of solutions to secure the outcome that consumer hopes to achieve. By doing so, the consumer benefits from increased satisfaction and the retailer is positioned to gain a loyal customer as the result of that consumer’s singular experience.

References


About the Authors

Jinfeng Zhou, Ph.D. is a third-year doctoral student at the University of North Texas. She is completing a second doctoral degree in Information Science with a concentration in Consumer Behavior and Experience Management. Jinfeng’s home country is China. Her interests and research focus on recommendation systems in e-commerce, big data analytics associated with consumer online behavior and consumer semantic analysis. Specifically, she is interested in methods of personalizing customer engagement based on personal interests and behaviors with the ultimate goal of enhancing the consumer shopping experience. Jinfeng received a doctoral degree with a major in Textile Material and Design from Donghua University, Shanghai City, China in 2018. She is an accomplished researcher in the areas of textile materials, image processing, machine learning and deep learning.

Judith Cardona Forney, Ph.D. is Professor, Department of Merchandising and Digital Retailing, and Director of Research, UNT – Global Digital Retailing Research Center. Forney holds a Ph.D. in Consumer Sciences and Retailing from Purdue University. She has held faculty and administrative appointments at San Francisco State University, Auburn University, and University of North Texas where she was served as Dean, College of Merchandising, Hospitality and Tourism for 20 years. Her research focuses on consumer experiences associated with values, efficiencies, and cultural patterns in diverse shopping contexts in the U.S. and foreign countries. She co-authored the first college textbook on the consumer experience, Experiential Retail: Concepts and Strategies that Sell (Fairchild, 2007), published over 60 referred articles in academic journals, made over 100 refereed presentations at scholarly conferences, and gave key note and distinguished lecturer presentations in the U.S. and abroad. She has mentored over 50 masters and doctoral students, independent student research, and UNT Undergraduate Research Fellows. She teaches undergraduate and graduate courses focused on consumer experience and consumer behavior; and is the program coordinator for the B.S. in Consumer Experience Management at UNT.

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