Executive Summary

Determinants of Consumers’ Purchase Channel Preference in Omni-Channel Retailing
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Ongoing digitalisation causes new channels to arise but also results in the role of traditional channels changing. In response, retailers implement omni-channel systems to provide consumers with an enriched shopping experience. When choosing between multiple channels provided by one retailer, consumers’ relative channel preference is determined by perceived channel value for a specific action. However, little is known about what omni-channel consumers value and how different value perceptions contribute to consumers’ relative channel preferences. For this reason, we analyse which value dimensions prevail in the purchase stage using a higher-level abstraction of offline, online and mobile channels. Our article focuses on the purchase phase for several reasons. First, it is of high practical relevance since consumers create revenue in this phase. Second, existing research predominately focuses on one single channel or neglects the role of mobile channels, suggesting substantial research gaps.

We rely on the concept of perceived value and propose that channel preference arises from a trade-off between benefits and costs. Based on existing literature and the technology acceptance model, we identify utilitarian value, hedonic value, effort and risk as relevant drivers of purchase channel selection. As value is subjective and context-dependent, we further integrate prior channel experience and product category into our research framework. We use coffee filter machines as an example of utilitarian goods and sneakers as hedonic goods.

We ran an online survey from February to April 2020. Based on data from 396 respondents, we estimate nine models, one for each channel (offline, online, mobile) and each group (total, coffee machine, sneakers). Our results provide important insights into how to design the purchase channel within an omni-channel setting. We emphasise the predominant role that utilitarian value plays in positively affecting preference across all channels and product categories. Although utilitarian value is most strongly relevant for offline preference, consumers’
perception of utilitarian value is lowest offline. Thus, we recommend leveraging utilitarian benefits offline. In the total sample, we show that hedonic value increases channel preference. Besides, hedonic value more strongly influences mobile compared to online channel preference, though the mobile channel provides the lowest hedonic value. Therefore, retailers should emotionally address consumers by creating entertainment and adventure. Risk negatively influences online and mobile channel preference in the total and coffee machine sample, though no significant effect on mobile preference is evident for sneakers. Furthermore, risk has a greater effect on online compared to mobile channel preference, but consumers evaluate both channels equally in terms of risk. Therefore, omni-channel retailers should reduce online risks. In addition, we assume that digital shopping may not be as convenient as expected, showing that channels do not differ with regard to the effort they involve. Nevertheless, effort is solely important for offline channel preference in the total and coffee machine samples. Only in the sneakers sample is it also relevant when making purchases using mobile devices. We also confirm channel lock-in and loyalty effects in digital channels, demonstrating a positive correlation between prior channel experience and preference. Moreover, we evidence that consumers are more utilitarian-oriented when purchasing utilitarian compared to hedonic goods. Above all, our study reveals that the offline channel is still consumers’ first choice when it comes to purchase, regardless of product category.

Given that the study was implemented prior to the outbreak of the coronavirus pandemic, we were unable to consider its effects on channel preference. This may prospectively lead to a shift towards digital channels. Finally, we suggest that our results could serve as a starting point for further investigation into channel preference across the consumer journey, including all purchase phases or other new and innovative channels.