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Luxury Experiences in Synchronous Channels: Attribution of Satisfaction in the Consumer Journey

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This insight paper relates unified luxury retail experiences to attribution of consumer satisfaction. A conceptual framework, implications and strategies are discussed.

Synchronizing Seamless Experiences

In traditional multichannel retail, consumers advance to purchase decisions by engaging across multiple parallel and siloed channels (Payne, Peltier, & Parger, 2017). A consumer as user moves among channels that are not synchronized. This results in a fractured brand experience that is different in each channel. However, integrating touchpoints and channels into a singular, seamless experience remains a struggle for many retailers (Cummins, Peltier, & Dixon, 2016).

Synchronous channels, introduced as a technology ecosystem, made omnichannel retail possible. By supporting all aspects of retail engagement in unison it created unified retail experiences. Omnichannel is grounded in consumer centricity by offering a holistic shopping experience ". . . in which a customer's journey is smooth and seamless, irrespective of the channels used" (Payne et al, 2017). Omnichannel improves the consumer's experience through integration and orchestration of all communication channels, offering a homogenous brand experience across all touchpoints (Larke, Kigour, & O'Connor, 2018). Retail channels include physical locations, mobile applications, social media, and e-commerce. Omnichannel avoids isolated advertising campaigns offered

through display advertising, social media, search engines, and e-mail and mobile market (Seigler, 2017).

The omnichannel retailer's challenge is integrating the many online and offline channels into a ubiquitous online to offline (O2O) customer experience. In transcending the brand experience, retailers must pay close attention to customers' fluctuating behaviors and channel preferences (Kranzbuhler, Kleijinen, & Verlegh, 2019). This customerandtechnology first initiative allows companies to assimilate an omnichannel mindset into their current business model.

In the omnichannel approach, Muran (2013) pointed out that all touchpoints are blurred thus streamlining interactions and moments between the customer and the brand. These touchpoints include, but are not limited to, loyalty programs, digital, e-mail, display ads, traditional media, customer service, and brick-and-mortar stores (Melero, Sese, & Verheof, 2016). In extending this to an O2O experience the retailer needs to recognize all potential touchpoints in the consumer's path to purchase, from beginning to end including past, present and future connections.

Touchpoints, which are integrated into the holistic map of the consumer journey, have received attention by scholars (Payne et al, 2017; Kannan, Reinartz & Verfoef, 2016; Lemon & Verheof, 2016; Kranzbuhler et al, 2019). The consumer journey was identified as a process that is "emotional and experiential" (Hamilton & Price, 2019, p. 188). Moreover, the consumer embarks "across all stages and touchpoints with an organization, comprising the consumer experience" (Hamilton & Price, 2019, p. 188). This adds a visceral, personalized sentiment to the consumer journey, which ultimately is heightened through an omnichannel experience. Lemon and Verheof (2016) used an omnichannel outlook by connecting the consumer journey to the consumer experience. They posited that synchronized channels unify the brand, streamline the consumer journey, and effectively deliver positive customer experiences.

Omnichannel in the Luxury Market

The luxury retail sector has struggled to operate in an ideal omnichannel market. In comparison to mass market retailers, industry researchers determined that 70% of luxury retailers as grappling with offering digitally enabled, personalized, end-to-end consumer experiences (Barbet, Bouree, Lonchambon & Moukarzel, 2018; Deloitte, 2018). Often this occurs because many luxury retailers view the consumer journey as a series of isolated touchpoints rather than a luxury customer's end-to-end journey (Masechler, Neher, & Park, 2016; Executive Briefing, 2016). This view of the consumer's journey reverts to a multichannel mindset instead of an omnichannel outlook (Liekman, 2019; Muran, 2013). To assess the maturity of omnichannel luxury brands and gauge whether customers' expectations were fully addressed, Barbet et al (2018) used an online survey of 24,000

shoppers in 29 territories to attain a precise understanding of persona shopping behavior. By mapping customer journeys, they identified key luxury customer's personas which defined their expectations of omnichannel services. The consumer journey was divided into three sequential phases: research, purchase and delivery, and customer care. Luxury brands were classified into three subcategories: (1) Ultra-High-End (Leviev and Graff); (2) Super Premium (Bottega Veneta, Harry Winston, and Panerai); and (3) Aspirational (Gucci, Cartier, and Rolex). They identified five distinct luxury customer personas: (1) Millennials, (2) Business Travelers, (3) Tourists, (4) Deal Hunters, and (5) VIPs.

Barbat et al (2018) suggested luxury brands meet customer's expectations by offering fulfilling customer experiences through five critical omnichannel services: (1) real-time product stock availability both in-store and online; (2) home delivery and 'click and collect'; (3) return in store; (4) integrated loyalty; and (5) real-time customer service. While the researchers agreed that all luxury brands should shift to omnichannel, they "suggested the luxury strategy be tailored to the brand stakes" (Barbat et al, 2018, p. 22) associated with the luxury brand. For instance, Ultra High-End luxury brands need to focus on enriching the brand experience by leveraging omnichannel to generate in-store traffic while developing offline brand experience by digitizing the store. Super Premium luxury brands need to identify which omnichannel services are critical to the brand in preserving the brand's image equity, repairing omnichannel pain points, and protecting customer loyalty. Equally, actions associated with Aspirational Luxury brands need to consolidate omnichannel performance by extending its service scope, creating customer convenience, and leveraging data to improve personalized shopping experiences.

Luxury Brands as Singular Experiences

In luxury retail, the shift from a multichannel to an omnichannel perspective has resulted in treating all channels as part of a singular brand experience (Diekmann, 2019; Muran, 2013; Payne et al, 2017). In their effort to illustrate the flow across channels, Lemon and Verhef (2016) conceptualized the consumer journey and overall experience as a process model comprised of three distinct stages: pre-purchase, purchase, and post-purchase. Moreover, they integrated consumer's previous experience as a contributor to the 3-stage process model which in turn contributed to the consumer's future experiences and so forth. Their conceptual representation of the consumer experience depicts a cyclical journey which explains how external factors (e.g., past and future experiences) affect the consumer's journey from a store-to-store perspective and extended it to include the brand-to-brand and touchpoint-to-touchpoint experience.

Applying a luxury retail context, Barbat et al (2018) created a model aligned with the consumer journey which articulated three exact touchpoints for luxury consumers: (1) Research, (2) Purchase and Delivery, and (3) Customer Care. The Research step has similarity to the description of Lemon and Verhoef's (2016) Pre-purchase stage. It implies

consumers deliberate and research products and services in a series of considerations such as e-commerce channels, pricing, promotional displays, and real-time product availability. Second, the Purchase and Delivery step of Barbat et al (2018) focused on purchasing products through a variety of channels while the miscellaneous payment and delivery options mirror the Purchase stage (Lemon & Verhoef, 2016). Third, Lemon and Verhoef's (2016) Post-purchase stage has similarity to the description of Barbet's el al (2018) Customer Care step. It features touchpoints like post-sale engagement through loyalty programs, customer service requests, and post-purchase feedback. However, these studies did not address the attribution of satisfaction in the consumer journey

Linking Attribution to Satisfaction

Attribution seeks to explain the causality of human behavior from either a dispositional or situational context. Dispositional attribution is a prevailing internal personal attribute like motivation or beliefs. Situational attribution is assigned to some external event or situation over which the individual may or may not have control. Attribution theory can be used to understand internal influences on consumer behavior such as motivation (Weiner, 2000). It can also be used to study behavior in specific contexts, e.g., shopping. From a consumer's perspective, situational context can have an important outcome effect.

Weiner (1972) developed a three-stage process used to explain underlying attribution associated with behavior. First, behavior must be observed or perceived for attribution to occur. Second, observed behavior must be established as intentional. Third, attribution requires behavior to be prompted by either an internal or external cause. His later work linked attribution theory to the causalities associated with motivation (Weiner, 2010), consumer behavior, and satisfaction (Weiner, 2000).

Weiner (2000) described attribution as a controlling dimension of consumer outcomes such as judgement, responsibility, and retribution when linked to a product purchase. He connected the subjective likelihood of consumer satisfaction to attribution and suggested causality is a stable dimension that influences a consumer's satisfaction with a purchase. Furthermore, he stated that "attributions play their role in post-initial outcome decision making; that is attributions intervene and exert their influence after a product-related outcome and prior to the next choice" (Weiner, 2000, p. 383). This suggests that the causality of attribution can be assigned to past, present, and future situations with a circular outcome in that one situation may attribute to the outcome of the next iteration and so forth. Thus, the outcome has a causality effect on whether-or-not a consumer expresses satisfaction upon assessing the total experience. For example, if the outcome is considered stable, then the luxury consumer is most apt to believe future engagements with that specific luxury retailer will offer similar levels of satisfaction.

Satisfaction indicates how well the consumer's expectation of meeting a need or want was fulfilled. This metric is used widely by retailers. Attribution of satisfaction is linked to the evaluating brand elements such as outsourcing and dissatisfactory and satisfactory touchpoints in the customer journey. In an experimental study, attribution was used to describe "a more deliberate process in which consumers blame or praise the brand that is deemed responsible for the satisfying or dissatisfying touchpoint" (Kranzbuhler, 2019, p. 312). This outcome is a compelling case for applying attribution theory to identifying consumers perceptions of satisfaction with a shopping experience. Similarly, Kannan et al (2016) determined attribution modeling to be useful in providing information for "allocating marketing investments cross channels and targeting customers across channels and devices" (p. 449).

A conceptual framework (Figure 1) shows consumer attribution of satisfaction in luxury retail brand experiences. Similar concepts articulated by Lemon and Verhoef (2016) and Barbet et al (2018) were synthesized into a three – stage purchase process. Consumers move through contextual touchpoints as they establish expectations aligned with efficient engagement and evaluate the experience. This reflects a sequential, circular consumer journey across touchpoints applied to luxury brands specifically.

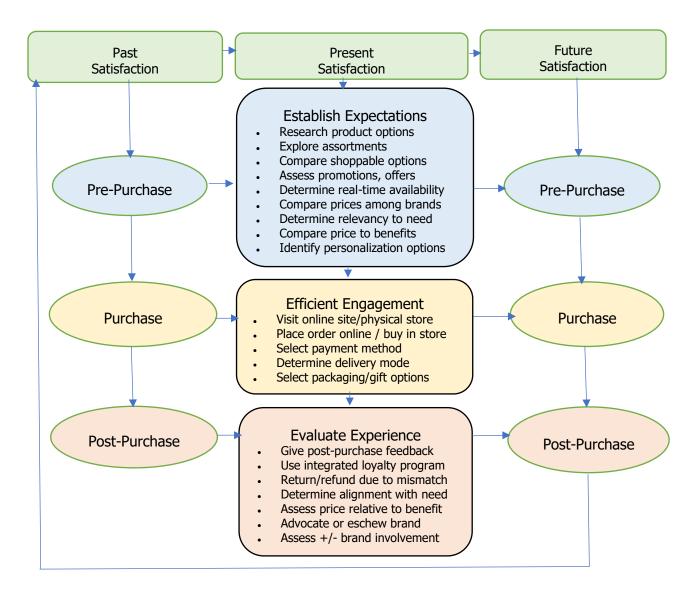


Figure 1. Attribution of Consumer Satisfaction in the Luxury Retail Brand Experience

Implications and Strategies for Luxury Retail

In examining the benefit of synchronized channels to the consumer journey, this paper addresses a gap in academic literature regarding the luxury consumer experience. When shopping, consumers assign situational attributions to their experience. This may be especially relevant in luxury retail. Each retailer controls the choice sets offered to the consumer; thus retailer – customer alignment is an important attribute to understand. The luxury consumer is more likely to: (1) assign higher expectations to the products and choices offered; (2) desire more personalized engagement with both the retailer and the

product; and (3) presume the luxury retail experience will be significantly differentiated from the mass merchant experience.

It is important to identify and examine situational contexts when examining the consumer journey in the path to purchase. Consumer cohorts interested in luxury retail will have different motivations than when they shop with mass market retailers. Future researchers might apply Lemon and Verhoef's (2016) study to building unique, consumer journeys for respective retailing sectors. Retailers would benefit further by moving omnichannel to O2O consumer experiences where the luxury consumer moves ubiquitously from online to offline shopping in the physical store.

Barbat et al (2018) offered several applications for luxury retailers. Considering the luxury brand sector, e.g. Ultra High-end, Super Premium, or Aspirational, luxury retailers need to form a best practice for unified channel strategy. This will depend on what is at stake for their brand. For example, Ultra High-end luxury companies should be more tactical in enriching their brand experience. Super Premium luxury retailers must be strategic in applying omnichannel or O2O services to the brand. Aspirational luxury retailers might expand into lower price points by introducing smaller scaled products. These products would be attractive to aspirational consumers who desire the brand but need a lower entry point of affordability to purchase. This strategy builds a new loyal cohort who will seek to optimize their luxury brand engagement though brand association. This cohort is an opportunity to form new brand loyalty and affiliation.

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