

The Role of Channel Integration in Customer Movement from Offline Channel to Online Channel in a Multichannel Environment

Muhammad Rizwan^a, Norzieiriani Ahmad^b, ^aPhD Scholar, School of Business Management, University Utara Malaysia, Malaysia, ^bSenior Lecturer, School of Business Management, University Utara Malaysia, Email: rizwan.arshad@iub.edu.pk, norzie@uum.edu.my

The evolution of internet technology, rapid digitalization and introduction of multiple channels strongly influence the managers and researchers alike to discover and update how customers behave in multiple channels and how companies and customers better interact in a multichannel environment. The COVID-19 pandemic crisis around the world significantly affect the performance of national and international firms and the firms with vibrant capabilities of operating in multiple channels survive during this crucial time. More important is the question of how the multiple channels can be handled synergistically to maximize the customer repeat purchase behavior. The current study is an attempt to understand whether the role of channel integration helps in customer movement from firm's offline channel to firm's online channel. Data have been collected from a sample of 358 experienced online customers from different cities of Pakistan and analysed through smart PLS. The results of the study confirm that the customer previous interaction with the firm offline channel significantly affect the customer perception about firm's online channel. Additionally, the results of the study also confirm the moderating role of channel integration in transfer of customer perceptions form offline channel to online channel. Although each channel may offer a unique value proposition, channel integration can drive overall customer satisfaction and repeat purchase behaviour in a relational, multichannel environment. Managerial contributions have been provided for practitioners and firms as well.

Key words: *Online shopping, Multichannel, Channel Integration, Offline channel, Online channel, Repurchase Behaviour, Pakistan.*

Introduction

Online shopping is a process where customers purchase products and services directly from the sellers using internet as a medium (Koivumäki, 2001). More specifically, online shopping is a process of purchasing good and services from a firm's online store using internet and it involves the activities like accessing online firm's online store, searching for desired products, selecting them, purchasing them, payments and use of selected products in order to satisfy personal needs and wants (Lee, Ariff, Shoki, Zakuan, & Sulaiman, 2016). Customers from different corners of the world are shopping through online stores while sitting at their home or office because online shopping enable them to buy books, apparels, groceries, cars, and even houses from their favorite suppliers without going anywhere from home and at their convenient time.

145 firms from the top 250 firms having online presence worldwide experienced 21% increase in their online sales and American retail online sales are expected to grow from \$263 billion in 2013 to \$414 billion in 2018 (8.9% in 2014) (Carlson, O'Cass, & Ahrholdt, 2015). Due to this expectation of sale growth, the global online firms are making efforts to bring fresh online customers to their online stores while retaining the old ones in driving sale growth (Mohamed, Hussein, Hidayah Ahmad Zamzuri, & Haghshenas, 2014). Getting new customers is relatively costly, it takes more times and more cost to acquire a new customer compared with retaining the old ones (Weinstein, 2002). Additionally, the repeat customer spends about 67% more than a fresh one (Mohamed et al., 2014). Therefore, the issue of retaining old customers continuously attract scholars' interest and considered as the main element of developing competitive advantage (Zhang et al., 2011) and important factor for these online firms' success (Chiu, Chang, Cheng, & Fang, 2009). The concept of online repurchase intention (ORPI) would be helpful for online firms in formulating the strategies for customer retention, however, the ORPI remain underrepresented area in online research (Mohamed et al., 2014).

A huge volume of customers has been using a wide range of channels randomly during their daily purchases (Verhoef, Inman, & Kannan, 2015). By spending more time and money, these multichannel customers become an attractive segment for firms than single-channel customers. Therefore, the firms that launch a new online channel are required to comprehend the multiple channel mechanism. They need to know how different channels co-influence other channels and finally the impact of their interaction on customer ORPI (Hammerschmidt, Falk, & Weijters, 2016).

Despite many benefits of multichannel retailing in e-commerce, few empirical studies about repurchase intention in this multichannel environment are available and many studies call for further empirical research. Few studies are available in the past literature of

multichannel business model, combining both offline and online channels (Bapat, 2017). More precisely, the current study proposes a model of multichannel integration to address this important research gap for extending the customer repurchase intention and empirically tests it in Pakistan.

Literature Review

Definition and Conceptualization of Online Repurchase Intention

As per Rajaobelina and Bergeron (2009), repurchase intention defines the perceptual degree of beliefs of a particular consumer to buy again a given product or to buy again from a particular firm. This phenomenon represents the biased behavior of a customer towards any product or firm that goes beyond loyalty (Izogo, 2016). Similarly, online repurchase intention (ORPI) symbolizes a customer's willingness to buy or purchase repeatedly from the similar online store based on previous personal experience (Kim, Galliers, Shin, Ryoo, & Kim, 2012). The literature of ORPI stressed that the cost of attaining new customers is much higher in the online environment in contrast to offline environment but when the customers become repeat purchasers of online channel they tend to spend more money compared to their initial spending (Reicheld & Schefter, 2000). Hence, if these online firms want to remain competitive, they need to keep their old customers and influence them to stay connected (Chiu et al., 2009). However, comparing the offline channel to online channel, retaining an old customer is quite difficult and many challenges are associated with online channel.

Expectation Confirmation Theory (ECT)

Originally Eexpectation Cconfirmation theory has been developed by Oliver (1980) and being extensively used in various marketing domains, especially in the literature regarding the customer behavior to identify the linkage between the customer satisfaction and after purchase behavior (Dabholkar, Shepherd, & Thorpe, 2000). The ECT is frequently used to determine the post purchase behavior and considered a paramount approach to study these relationships. Specifically, in the customer related past literature, ECT has been applied to explore the phenomenon of repurchase intention in several areas of product and services. Accordingly, ECT describe the intention of the customer to buy again a specific item is solely and predominantly depends upon the degree of satisfaction gained during the prior experience with the product and services (Oliver, 1980, 1993).

Customer Satisfaction

The additional cost of acquiring new customers relative to the cost for retaining old customers have amplified the firms and practitioners interest in developing and maintaining

the excellent long-term relationships with the customers as a superior option to enhanced firm's profitability (Ennew, Binks, & Chiplin, 2015). While, customer satisfaction is an important tool for developing successful customer relationships. Therefore, a large portion of previous customer related literature surrounds customer satisfaction. The literature keep trying to identify the relevant antecedents and consequences as well for customer satisfaction that can be used to apply in current business environment (Albayrak & Caber, 2015). The customer satisfaction is considered as performing the central role in marketing literature to study the relationship between customer pre-consumption expectations and post-consumption behavior (Ameer, 2014). Customer satisfaction was attributed for the primary reason for firm's success, source of competitive advantage, performance and profitability (Siddiqi, 2011; Yeung, Ramasamy, Chen, & Paliwoda, 2013).

Customer Trust

In social life, the people continuously interact with other people that are purely independent and difficult to predict. The human tendency to understand others make this phenomenon complex (Gefen, 2000). In this situation, trust is the only tool that can help the people to interact with others and reduce social complexity (Luhmann, 1979). This is relatively more important in the absence of rules and regulations that governed the interactions (Fukuyama, 1995). Generally, trust is a level of confidence and a person expectation about the other behaviors normally depends upon the previous history of interactions. Although the previous behavior of a person is not a guarantee or proxy for his/her future behavior, but trust represent the expectation of the repetition of the behavior. Different studies conceptualize the trust in different way like trust can be a belief, emotion, intention, feeling or behavior (Bhattacharjee, 2002; Swan & Nolan, 1985). However, most of the studies confirm the existence of trust depends on mutual beneficial relationship (Gundlach & Cannon, 2010; Shim, Serido, & Tang, 2013).

Service Quality

In the marketing literature regarding the service quality, the most frequently used and simplest description of service quality is to fulfil the customer expectation (Parasuraman et al., 1991). However, the customer expectations are regarded as the specific beliefs regarding the delivery of services that function to set reference points or the criteria that will be used to evaluate the performance (Zeithaml, Berry, & Parasuraman, 1996). The customer perceptions can be regarded as their subjective evaluation of their service experience during the interaction with the firm. The judgement of service quality could be affected due to expectation and perception of service. If the customer received the services as he/she expected, the judgement of service quality would be satisfactory and if the judgement of the customer regarding the services received exceed their initial expectation,

the customer would be delighted and regard the service quality as outstanding. However, if the performance of the firm are less than the customer initial perception, there will be an impression of dissatisfaction regarding the service quality of the firm (Parasuraman, Zeithaml, & Berry, 1985). Therefore, improving the judgements of customers regarding the service quality require the firm to constantly fulfil the needs and desires of the customer. Creating and managing service quality judgements provide ultimate benefits for the firm and also help them to achieve competitive advantage (Hussain, Al Nasser, & Hussain, 2015).

Theoretical Framework and Research Hypotheses

Offline Service Quality (OFSQ) and Online Service Quality (ONSQ)

The customer perception of service quality works as an appraisal that leads towards satisfaction and future behavior whether in online environment or offline environment. However, the possible interaction between different channels and the reciprocal effects are rarely investigated (White et al., 2013). When the customers and firms have asymmetric information, the customers can experience the service quality after their consumption (Wang et al., 2016). In multichannel context, the previous customer experience in offline channel serve as a guide or expectation for the online channel experience (Jiang, Xu, & Bao, 2016). The perception of parent brand can be transferred to newly developed product, the perception of service quality can be transferred from one channel to another channel. The results of previous studies confirm the impact of OFSQ on ONSQ (Fan & Yang, 2015; S. Yang et al., 2017; Yang et al., 2013). Therefore, the current study hypothesizes that:

H1: There is a positive relationship between Offline Service Quality and Online Service Quality.

Offline Satisfaction (OFS) and Online Satisfaction (ONS)

Previous literature of online customer behavior mainly focuses on particular online elements and ignored the possible effect of customer offline experience to better understand the performance of multichannel firms. However, the customer appraises the multiple channels in comparison to one another and the possible interaction of different channel's satisfaction influence the behavioral intentions (Van Birgelen, De Jong, & De Ruyter, 2006). The overall satisfaction with a multichannel firm is a cumulative experience of the customer in both offline and online channels (Montoya-Weiss et al., 2003b). Therefore, the current satisfaction of a customer from one channel act as a proxy for anticipated satisfaction (Jin, Park, & Kim, 2010). A study by Chu et al. (2016) suggested that the ONS is influenced by specific online and offline elements like ONS, and these elements enhance the customers ORPI as well. Therefore, the current study hypothesizes that:

H2: There is a positive relationship between Offline Satisfaction and Online Satisfaction.

Offline Trust (OFT) and Online Trust (ONT)

Trust transference is regarded as a cognitive process that includes the transfer of trust from known context (offline channel) to unknown context (online channel) (Lim et al., 2006). Therefore, a customer can trust on online channel if he/she has trust on offline channel given that the both channels are associated with the same firm. These customers believe that a trusted firm which successfully providing product and services in offline channel tends to have the expertise to perform well in the online channel (Chaouali, Ben Yahia, & Souiden, 2016). Many previous studies confirm the transferability of trust from one channel (offline) to another channel (online), in online business (Luo et al., 2017), in retailing industry (Badrinarayanan, Becerra, Kim, & Madhavaram, 2012), in online newspaper industry (Farooghi, 2015) and in banking industry (Chaouali et al., 2016). Based on these empirical studies and arguments, the current study hypothesizes that:

H3: There is a positive relationship between Offline Trust and Online Trust.

Online Satisfaction and Online Repurchase Intention

The connection between satisfaction and repurchase has been originated in the offline environment and studied in offline channel. Consequently, the approach is adopted by many online studies and they start incorporating the satisfaction-repurchase link in the online channel studies. The link between satisfaction and repurchase is empirically tested and confirmed in different studies of offline channel (Bindroo, He, & Echambadi, 2016; Chang, 2015; Liang & Lin, 2016; Nagengast, Evanschitzky, Blut, & Rudolph, 2014) and online channel (Chou & Hsu, 2016; Gao et al., 2015; Liang et al., 2018). Many studies further explore the insights between satisfaction-repurchase link. The results indicate that the both components of satisfaction are strong predictors of ORPI (S.-W. Chou & Hsu, 2016). Another study split the satisfaction construct into two components i.e. transaction related satisfaction and experience related satisfaction, however, the both components are associated with ORPI (Liang et al., 2018).

Based on above discussion and empirical findings of the previous studies, the current study hypothesizes that ONS is positively associated with ORPI. Therefore, the following hypothesis is put forward:

H4: There is a positive relationship between Online Satisfaction and Online Repurchase Intention.

Channel Integration as a Moderator

In the previous literature, several studies try to explore the relationship between different offline determinants and online determinants like satisfaction, service quality, trust and image. These studies try to investigate the significant relationship between the offline and online determinants to confirm that the positive beliefs of one environment (offline channel) can be transferred to another environment (online channel). However, the results of these studies are contradictory and difficult to generalize. Some authors attribute these insignificant results to lack of channel integration (Herhausen, Binder, Schoegel, & Herrmann, 2015; Jin et al., 2010). Many studies suggest channel integration as a solution for integrating these channels (Picot-Coupey, Huré, & Piveteau, 2016). The integration of multiple channels (e.g. integration of information, services, payment options) as well as the possibility to be able to switch between multiple channels (e.g. informing and purchasing in different channels) are underlying dimensions of perceived synergies in the multichannel e-commerce context that can be achieved through channel integration.

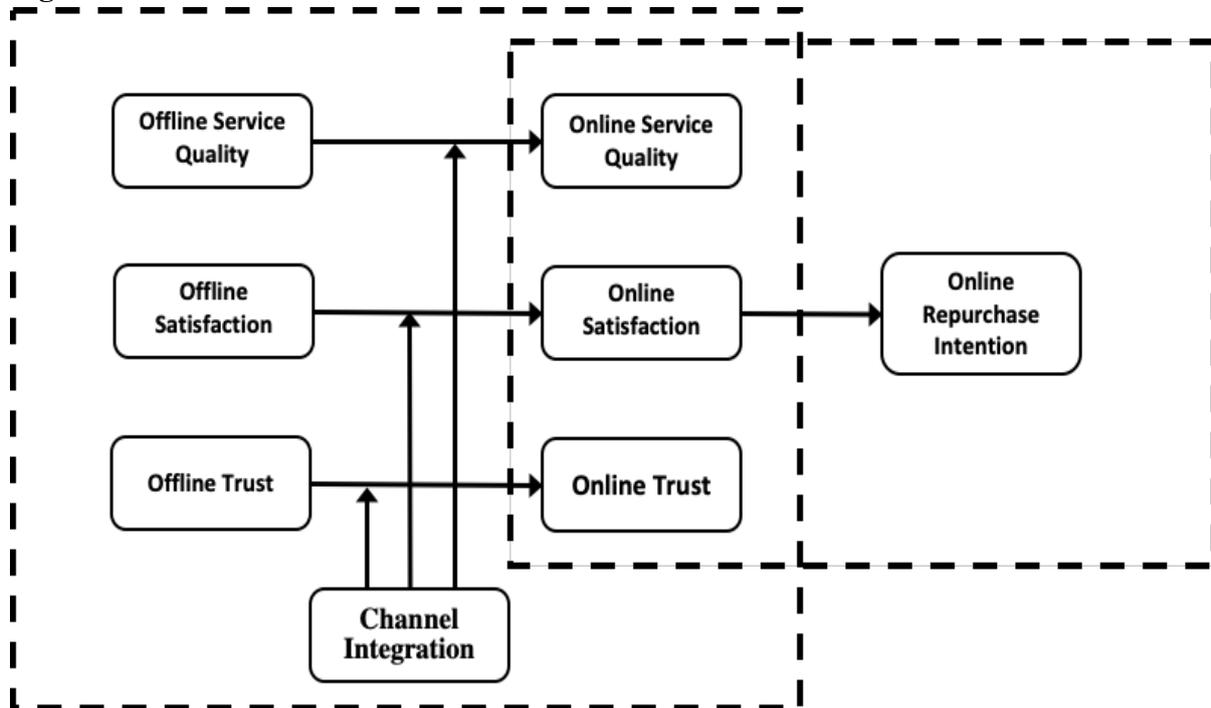
Based on the literature and the arguments developed in the previous section and recommendations of (Herhausen et al., 2015; Jin et al., 2010), the current study propose channel integration as a moderator between offline and online determinants. Thus, the current study hypothesizes that:

H5: Channel integration moderate the relationship between Offline Service Quality and Online Service Quality.

H6: Channel integration moderate the relationship between Offline Satisfaction and Online Satisfaction.

H7: Channel integration moderate the relationship between Offline Trust and Online Trust.

Figure 1. Theoretical Framework



Methodology

A cross-sectional method is used to collect data from the targeted population regarding the various constructs of the current study. For survey purpose, a structured questionnaire was used for the current study. The target population of the current study is restricted to online shoppers who purchase at least once from the internet. A sample of 384 respondents is supposed to be appropriate for testing the study hypotheses at 95% confidence level and 5% margin of error (Sekaran, 2003). Hence, a minimum number of 384 participants of online shoppers are required to participate in the current study. The population of the current study was quite large, and the sampling frame was not available. Due to these constraints, the current study utilizes mall intercept sampling.

Research Instrument

A structured questionnaire was used based on previous established scales to measure the important constructs of the current study. These measures are frequently used in several previous studies. Online satisfaction (ONS) was measured by using 5 items adapted from Chen and Cheng (2013). Online Trust (ONT) was measured by using the 7 items scale adapted from Bhattacharjee (2002). Online service quality (ONSQ) scale has been taken from the study of Wang et al. (2010). The scale for OFT was from the study of Xie and Peng (2009). The scale for Offline satisfaction (OFS) was adapted from Chen and Cheng

(2013). Online repurchase intention (ONRI) was measure by 3 items scale adapted from the study of Khalifa and Liu (2007). The scale for Channel Integration was adapted from the study of Li et al. (2018).

Analysis and Results

Assessment of Measurement Model

The individual items reliability focus on the outer loading of the measure of each construct (Hair et al., 2012). According to Hair et al. (2014), the rule of thumb is to retain measurement items with loadings between 0.40 and 0.70. However, the best practice is to retain item which loadings do not fall below 0.70 (Hair et al., 2014; Hair et al., 2007; Henseler et al., 2009).

As shown in Table 4.8 below, all of the construct items displayed the highest values on their respective constructs. Likewise, the items involve significantly and acceptably high loadings, such as Offline Satisfaction, Offline Service Quality, Offline Trust, Online Satisfaction, Online Service Quality, Online Trust, Channel Integration and Online Repurchase Intention. However, one item from Offline Trust (OFT4), one item from Offline Service Quality (OFSQ5) and one item from Channel Integration (ChInt8) fell below the threshold of 0.70 (Hair et al., 2014; Hair et al., 2007; Henseler et al., 2009). These three items were deleted while retaining 52 items. Preliminary results confirmed that the items had loading between between 0.703 and 0.904. The acceptable value for composite reliability defined in the literature (Hair et al., 2017) should not be lower than the threshold value of 0.7. The table 4.8 shows that all the variables were highly reliable, which shows that the measurement model was reliable for further analyses. The Cronbach's alpha (α) was also calculated to validate the internal consistency of the constructs. As per the rule of thumb given by Hair et al. (2017), the value of greater than 0.9, 0.8 and 0.7 were classified as excellent, good and acceptable respectively. Table 1 below shows the Cronbach's alpha, and composite reliability scores of all variables.

Table 1: Cronbach's Alpha, Composite Reliability, and AVE of Latent Constructs

Constructs	Cronbach's Alpha	CR	AVE
Offline Satisfaction	0.835	0.883	0.655
Offline Trust	0.917	0.928	0.617
Offline Service Quality	0.882	0.918	0.737
Online Satisfaction	0.879	0.926	0.806
Online Trust	0.894	0.914	0.542
Online Service Quality	0.894	0.922	0.701
Channel Integration	0.924	0.937	0.625
Online Repurchase Intention	0.831	0.898	0.747

Assessment of Structural Model

Once the goodness of the path model had been established, the next step was to examine the hypotheses. By running PLS-SEM (PLS algorithm and bootstrapping), structural model was assessed (Chin, 2010).

Hypotheses Testing and Path Coefficients for Direct Hypotheses

To generate the path coefficients, the PLS algorithm was run initially. A bootstrapping procedure with a sample of 500 cases and a bootstrap sample of 358 cases were run to evaluate the significance of the path coefficients (Hair et al., 2014; Hair et al., 2011, 2012; Henseler et al., 2009). It is important to note that the whole model, including all the variable of interest, was run all at once to establish the results of the direct structural paths in alignment with the objectives of this study.

Hypothesis 1: Offline satisfaction is positively related to online satisfaction.

The result from the output of the PLS algorithm and bootstrapping showed a positive and significant association between offline satisfaction and online satisfaction ($\beta = 0.167$, $t = 2.117$). Therefore, Hypothesis 1 was supported.

Hypothesis 2: Offline service quality is positively related to online service quality.

A significant and positive relationship between offline service quality and online service quality was found ($\beta = 0.162$, $t = 3.134$). Hence, Hypothesis 2 was supported.

Hypothesis 3: Offline trust is positively related to online trust.

A positive and significant association between offline trust and online trust ($\beta = 0.322$, $t = 4.237$) was found. Hence, hypothesis 3 was supported.

Hypothesis 4: Online satisfaction is positively related to online repurchase intention.

A positive and significant association between online satisfaction and online repurchase intention ($\beta = 0.300$, $t = 5.973$) was found. Hence, hypothesis 4 was supported.

Table 2: Results of Hypothesis Testing: Direct Relationships

Hyp	Structural Path	Beta (β)	S.E	t-value	P-value	Decision
H1	OFSAT -> ONSAT	0.167	0.079	2.117	0.035	Supported
H2	OFSQ -> ONSQ	0.162	0.052	3.134	0.002	Supported
H3	OFTR -> ONTR	0.322	0.076	4.237	0.000	Supported
H4	ONSAT -> ORPI	0.300	0.050	5.973	0.000	Supported

Testing Moderation Effect

In this study, the researcher applied the moderating variable as an additional construct using the cross product of the indicator of the predictor variable and the moderator (Chin et al., 2003). This method of testing is called a product indicator approach. Subsequently, an interaction model was tested by creating an interaction term between offline and online constructs. This model included the moderating effect of channel integration on the relationship between various offline and online constructs. This product indicator approach involved determining the path coefficients and t-values. Based on Hair et al. (2013) analysis of the moderation effect, the result suggests that the relationship between offline and online constructs would be strengthened by channel integration.

Table 3: Results of the Moderating Effect Model

Hyp	Structural Path	Beta (β)	S.E	t-value	P-value	Decision
H5	ChINT*OFSAT -> ONSAT	0.203	0.042	4.810	0.000	Supported
H6	ChINT*OFSQ-> ONSQ	0.199	0.059	3.378	0.001	Supported
H7	ChINT*OFTR -> ONTR	0.137	0.055	2.483	0.013	Supported

Discussion

The result of this study revealed the significant relationship between offline service quality and online service quality. For this study, offline service quality appears to be significant to develop a favorable perception of online service quality, which indicates that the customer's favorable perception of firm's offline channel service quality significantly affects their perception of firm's online channel service quality (Yang et al., 2011). In a multichannel context, customers are likely to experience with multiple channels (Montoya-Weiss et al., 2003) and they may rotate channel use among a set of available channels, so that as the number of channel options grows, channel switching will occur to the extent that each channel creates specific customer value and contributes to customer favorable purchasing decisions. Therefore, in a multichannel context, we contend that online channel service quality is assessed relative to a benchmark of traditional offline channel because customers of technological products such as the online channel can poorly formed service

expectations (Zeithaml, Parasuraman, & Malhotra, 2002). Therefore, customers form service quality perceptions on the basis of their comparison of services offered by the online channel and the offline channel (Herhausen et al., 2015). Following this view, the alternative channel may benefit from investments in a different channel. Thus, the higher service quality of the offline channel may increase the positive assessment of the online channel service quality (Herhausen et al., 2015).

For this study, offline satisfaction appears to be significant to develop a favorable perception of online satisfaction, which indicates that the customer's favorable perception of firm's offline channel satisfaction significantly affects their perception of firm's online channel satisfaction. In a multichannel environment, the firms which operate in multiple channels are faced with intense pressure to ensure a superior customer satisfaction with the set of channels they offered rather than focusing on a single channel (Hammerschmidt et al., 2016). Channels are regarded as complementary; that is, satisfaction with one channel enhances a customer's intention to use another channel. The complementary cross-channel effects suggest that customer use of new channels can be influenced by the level of satisfaction provided by the benchmark alternative channel. The current study postulated that multichannel customers satisfied with offline channel are more likely to be satisfied with online channel based on the subjective likelihood of success (satisfaction) issue of attribution principle and this reasoning states that if an outcome (whether positive or negative) is ascribed to a stable cause, then the same outcome will be anticipated in the future (Weiner, 2000). Customer offline satisfaction is developed from stable causes such as product quality, channel quality and service, etc.; accordingly, the same outcome (i.e. satisfaction) is anticipated from visiting the online channel (Jin et al., 2010). Supporting this notion, Söderlund (2003) also empirically found that current satisfaction is a predictor of anticipated satisfaction. Similarly, the level of satisfaction gain from the past experience with the firm's offline channel can influence the expected satisfaction with firm's online channel (Jin et al., 2010).

Based on empirical results of the current study, offline trust appears to be significant to develop a favorable perception of online trust, which indicates that the customer's favorable perception of firm's offline channel trust significantly affects their perception of firm's online channel trust. Therefore, the customer trust accumulated over time in one channel can be transferred to another channel. The Firms can leverage the existing customers' trust in offline channel to produce similar customer trust in their online-based counterpart (Bock et al., 2012; Kuan & Bock, 2007; Yang, 2016). Many offline firms have migrated online during the last few years, hence an important issue is whether customers transfer their trust in a firm across channels to form more favorable perceptions about its online channel. Multiple studies suggest that customer trust in an offline channel positively

affects perceptions of the firm's online business (Hahn & Kim, 2009; Lin et al., 2011; Yang, 2016).

These results are also confirmed by some recent studies describing a strong association between online satisfaction and online repurchase intention (L. J. Liang et al., 2018; Liao, Lin, Luo, & Chea, 2017). Customers are more likely to intent to repurchase from the online channel when an online channel is able to keep customers more satisfied (Bulut, 2015). Regarding the online environment, customer satisfaction is one of essential key, attributing to the increasing customer retention rate, profitability, and long-term growth of online channels (Chen et al., 2012). Studies have demonstrated the importance of online customer satisfaction on repeat purchase behavior; more specifically, satisfied customers are more likely to repurchase more in the future than dissatisfied customers (Lin & Lekhawipat, 2014).

In present study context, channel integration is a system attribute that affects user evaluations of the online channel and subsequent channel adoption decisions. channel integration can present both opportunities and threats to firms, namely, channel integration can be performance enhancing and performance destroying (Herhausen et al., 2015). In the light of the potential costs associated with channel integration, future consequences of channel integration are highly relevant in practical and theoretical terms. The channel integration can optimized the customer experience and channel performance across channels (Verhoef et al., 2015). To generate complementary effects, different channels can be integrated to satisfy customer needs so that they may in turn purchase from both online and offline channels of the same firm (Avery, Steenburgh, Deighton, & Caravella, 2012; J. Kim & Park, 2005; Kwon & Lennon, 2009; Wallace et al., 2004).

The current study found that perceived channel integration had strong positive effects on the customers' appraisals in both offline and online channels. This result provides evidence that the effectiveness of channel integration is important in customer cross channel movement. This finding suggests that retailers can improve customers' appraisal of new online channel by effectively integrating their multiple marketing channels. Indeed, if multichannel firm can maintain a well-integrated multi-channel system, such as providing consistent interface, inventory information, price information, complain resolution and customer service, their customers are more likely to generate favorable quality evaluations on their individual marketing channels. The underlying cause may be that customers can increase their services utility by utilizing different retail channels suited to their different needs according to their convenience (Yang et al., 2017). It is also essential to have an integrated view of customers across all channels in order to build a comprehensive complaint history of each customer and thus deal with complaints properly (Frasquet, Ieva, & Ziliani, 2019). The customers who shopped with multichannel firms provided offline



store information on their online channel achieved better perceived service quality and less risk from customers about their online channel (M. Zhang, Ren, Wang, & He, 2018).

To the best of our knowledge, our research is the first to examine whether and how channel integration leads to a competitive advantage for multichannel firms through facilitation of customer movement from one channel to another. The results of our study provide evidence that customers value firm's integrated channels and that channel integration leads to more favourable behavior toward a multichannel firm and its multiple channels. These findings underline that channel integration is a potential source of competitive advantage for multi-channel firms. Hence, channel integration mainly attracts additional customers to the firm's online store who would otherwise purchase in non-integrated online stores from competing firms.

Limitations and Recommendations for Future Research

The study has several limitations that warrants future investigations to develop further insights for multichannel environment. First, the research model is validated based on the data collected from customers of Pakistan-based multichannel fashion industry firms, thus limiting generalizability of the findings. Future studies could overcome this limitation by exploring retail banking, electronics firms, retail department stores, tourism services and sports firms. Second, the current study examines the cross-channel movement of customers from offline to online channel, however, the customer can select multiple other channel for their purchase decisions. In future, the study model can be tested to understand the customer cross channel movement in mobile and social media channel as well. In addition, the study checks the customer movement from offline to online, however, the reverse can be possible, and that needs to investigate in the future studies. Third, the current study is limited to three channel related variables; service quality, satisfaction and trust. Inclusion of other variables in the model can optimize the understanding of customer channel related behaviour. For example, channel enjoyment, channel related perceived risk and channel loyalty.

REFERENCES

- Abrar, K., Zaman, S., & Satti, Z. W. (2017). Impact of Online Store Atmosphere, Customized Information and Customer Satisfaction on Online Repurchase Intention. *Global Management Journal for Academic & Corporate Studies*, 7(2), 22–34.
- Al-hawari, M. A. (2012). Do offline factors trigger customers' appetite for online continual usage?: A study of online reservation in the airline industry. *Asia Pacific Journal of Marketing and Logistics*, 24(4), 640–657.
- Albayrak, T., & Caber, M. (2015). Prioritisation of the hotel attributes according to their influence on satisfaction. *Tourism Management*, 46, 43–50.
- Badrinarayanan, V., Becerra, E. P., Kim, C. H., & Madhavaram, S. (2012). Transference and congruence effects on purchase intentions Initial evidence from the U.S. and South Korea. *Journal of the Academy of Marketing Science*, 40(4), 539–557.
- Banerjee, M. (2014). Misalignment and its influence on integration quality in multichannel services. *Journal of Service Research*, 17(4), 460–474.
- Bao, H., Li, B., Shen, J., & Hou, F. (2016). Repurchase intention in the Chinese e-marketplace: Roles of interactivity, trust and perceived effectiveness of e-commerce institutional mechanisms. *Industrial Management & Data Systems*, 116(8), 1759–1778.
- Bapat, D. (2017). Exploring the antecedents of loyalty in the context of multi-channel banking. *International Journal of Bank Marketing*, 35(2), 174–186.
- Chiu, C.-M., Hsu, M.-H., Lai, H., & Chang, C.-M. (2012). Re-examining the influence of trust on online repeat purchase intention: The moderating role of habit and its antecedents. *Decision Support Systems*, 53(4), 835–845.
- Delone, W. H., & Mclean, E. R. (2004). Measuring e-commerce success: Applying the DeLone & McLean information systems success model. *International Journal of Electronic Commerce*, 9(1), 31–47.
- Evanschitzky, H., Sharma, A., & Prykop, C. (2012). The role of the sales employee in securing customer satisfaction. *European Journal of Marketing*, 46(3/4), 489–508.
- Frasquet, M., Ieva, M., & Ziliani, C. (2019). Understanding complaint channel usage in multichannel retailing. *Journal of Retailing and Consumer Services*, 47, 94–103.
- Fukuyama, F. (1995). *Trust: The social virtues and prosperity*. Free Press Paperbacks.
- Gefen, D. (2002). Customer loyalty in e-commerce. *Journal of the Association for Information Systems*, 3(1), 2.



- Hair, J., Black, W., Babin, B., & Anderson, R. (2014). *Exploratory factor analysis. Multivariate data analysis, 7th* Pearson. Harlow, UK: Pearson Education.
- Hsu, M. H., Chang, C. M., Chu, K. K., & Lee, Y. J. (2014). Determinants of repurchase intention in online group-buying: The perspectives of DeLone & McLean is success model and trust. *Computers in Human Behavior*, 36, 234–245.
- Jin, B., Park, J. Y., & Kim, J. (2010). Joint influence of online store attributes on performance of multichannel retailers. *Behaviour & Information Technology*, 29(1), 85–96.
- Kim, S., & Jones, C. (2009). Online shopping and moderating role of offline brand trust. *Direct Marketing: An International Journal*, 3(4), 282–300.
- Kwon, W. S., & Lennon, S. J. (2009). Reciprocal Effects Between Multichannel Retailers' Offline and Online Brand Images. *Journal of Retailing*, 85(3), 376–390.
- Liang, L. J., Choi, H. C., & Joppe, M. (2018). Exploring the relationship between satisfaction, trust and switching intention, repurchase intention in the context of Airbnb. *International Journal of Hospitality Management*, 69, 41–48.
- Montoya-Weiss, M. M., Voss, G. B., & Grewal, D. (2003a). Determinants of online channel use and overall satisfaction with a relational, multichannel service provider. *Journal of the Academy of Marketing Science*, 31(4), 448–458.
- Neslin, S. A., Grewal, D., Leghorn, R., Shankar, V., Teerling, M. L., Thomas, J. S., & Verhoef, P. C. (2006). Challenges and opportunities in multichannel customer management. *Journal of Service Research*, 9(2), 95–112.
- Oliver, R. L. (1993). Cognitive, affective, and attribute bases of the satisfaction response. *Journal of Consumer Research*, 20(3), 418–430.
- Ramayah, T., Lee, J. W. C., & In, J. B. C. (2011). Network collaboration and performance in the tourism sector. *Service Business*, 5(4), 411.
- Siddiqi, K. O. (2011). Interrelations between service quality attributes, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh. *International Journal of Business and Management*, 6(3), 12.
- Song, P., Zhang, C., Xu, Y. C., & Huang, L. (2010). Brand extension of online technology products: Evidence from search engine to virtual communities and online news. *Decision Support Systems*, 49(1), 91–99.
- Tsao, W.-Y. (2013). The fitness of product information: Evidence from online recommendations. *International Journal of Information Management*, 33(1), 1–9.



- Verhoef, P. C., Inman, J. J., & Kannan, P. K. (2015). From Multi-Channel Retailing to Omni-Channel Retailing. *Journal of Retailing*, 91(2), 174–181.
- Wang, T., Yeh, R. K.-J., Yen, D. C., & Nugroho, C. A. (2016). Electronic and in-person service quality of hybrid services. *The Service Industries Journal*, 36(13–14), 638–657.
- Wu, H.-C. (2014). The effects of customer satisfaction, perceived value, corporate image and service quality on behavioral intentions in gaming establishments. *Asia Pacific Journal of Marketing and Logistics*, 26(4), 540–565.
- Yang, S., Y., L., Chau, P. Y., & Gupta, S. (2017). Role of channel integration on the service quality, satisfaction, and repurchase intention in a multi-channel (online-cum-mobile) retail environment. *International Journal of Mobile Communications*, 15(1), 1–25.
- Yang, Shuiqing. (2016). Role of transfer-based and performance-based cues on in mobile shopping services. *Information Systems and E-Business Management*, 14(1), 47–70.
- Yu, S.-H., Wu, J.-J., & Lin, W.-R. (2017). Trust transfer and repair: A multichannel study on the smartphone industry. *International Journal of Organizational Innovation (Online)*, 9(4), 133–156.
- Zhang, M., Ren, C., Wang, G. A., & He, Z. (2018). The impact of channel integration on consumer responses in omni-channel retailing: The mediating effect of consumer empowerment. *Electronic Commerce Research and Applications*, 28, 181–193.
- Zhang, Y., Fang, Y., Wei, K.-K., Ramsey, E., McCole, P., & Chen, H. (2011). Repurchase intention in B2C e-commerce—A relationship quality perspective. *Information & Management*, 48(6), 192–200. <https://doi.org/10.1016/j.im.2011.05.003>