

OMNICHANNEL MARKETING IN THE RETAILING LANDSCAPE

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ABSTRACT

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<p>Abstract</p> <p>Today consumers are expecting more coherent customer experiences across online and offline channels to leverage the positive effects of both channels. Omnichannel marketing has met these expectations as it has been defined as integrated customer experience via communication and distribution channels. Still, even though the positive effects of omnichannel marketing are acknowledged and managers perceive it important, only 3% of retailers have all channels connected. To find an answer to that gap, this master's thesis examined from a management's point of view (1) what drivers guide retailers to be omnichannel, and (2) which factors affect the implementation of an omnichannel strategy. The study was carried out as a case study, in which retailers from various trade sectors in Finland participated. In total eight people were interviewed from seven companies, and the interviews were carried out using semi-structured interviews, which included some freedom to modify the questions to each person's knowledge.</p> <p>Based on the key results, consumers cross-use online and offline channels and take advantage of their best aspects during the purchase, which emphasizes the role of omnichannel marketing in retailing. Hence, retailers' mission is to ensure that customer experience is coherent in online and offline channels, so customers can seamlessly switch between channels during the purchase path. One way for retailers to support the implementation of an omnichannel strategy is to give more weight to the total sales of both channels instead of following the sales of an individual channel. After all, offline channels engage through experiences and improve brand awareness, and online channel is used to find information and to ease buying. In addition, nowadays implementing an omnichannel strategy is not a competitive advantage, but a requirement for retailers to stay competitive. That is because consumers make their consumption decisions based on the overall experience. Moreover, it is necessary to keep the customers' needs, at the center of each decision.</p>	
Keywords Omnichannel, omnichannel marketing, a seamless customer experience, retail business	
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<p>Tiivistelmä</p> <p>Tänä päivänä kuluttajat odottavat yhä johdonmukaisempia asiakaskokemuksia online- ja offline-kanavissa hyötyäkseen molempien kanavien positiivisista vaikutuksista. Omnikanavainen markkinointi on täyttänyt nämä odotukset, sillä se on määritelty saumattomaksi asiakaskokemukseksi viestintä- ja jakelukanavissa. Vaikka omnikanavaisen markkinoinnin positiiviset vaikutukset ovat tunnistettu ja johto pitää sitä tärkeänä, asiakaskokemus on yhtenäinen kaikissa kanavissa vain kolmella prosentilla vähittäiskauppiaista. Sen takia tämän tutkielman tavoitteena on ollut selvittää johdon näkökulmasta (1) mitkä tekijät ohjaavat vähittäiskauppiaita olemaan omnikanavaisia, sekä (2) mitkä tekijät vaikuttavat omnikanavaisen strategian implementointiin. Tutkielma toteutettiin tapaustutkimuksena, johon osallistui johtoa vähittäiskaupan alalta Suomesta. Yhteensä kahdeksaa henkilöä seitsemästä yrityksestä haastateltiin, ja haastattelut toteutettiin puolistrukturoiduilla haastatteluilla, jotta haastattelukysymyksiä oli mahdollista muokata jonkin verran haastateltavan tietämyksen mukaan.</p> <p>Keskeisten tulosten perusteella kuluttajat käyttävät ristiin online- ja offline-kanavia ja hyödyntävät niiden parhaita puolia oston aikana. Se korostaa omnikanavaisen markkinoinnin roolia vähittäiskaupassa. Tästä syystä vähittäiskauppiaiden tehtävänä on varmistaa, että asiakaskokemus on johdonmukainen molemmissa kanavissa, jotta asiakkaat voivat vaihtaa saumattomasti kanavaa ostopolun aikana. Yksi tapa tukea omnikanavaisen strategian toteuttamista on antaa enemmän painoarvoa kanavien kokonaismyynneille yksittäisten kanavien myyntien seuraamiseen sijaan. Kuitenkin offline-kanavat sitouttavat kokemuksien kautta ja lisäävät bränditietoisuutta, ja online-kanavia käytetään tiedon etsimiseen ja ostamisen helpottamiseksi. Lisäksi havaittiin, ettei omnikanavaisen strategian toteuttaminen luo enää kilpailuetua yritykselle, vaan on pikemminkin vaatimus kilpailukyvyyn säilyttämiseksi. Tämä johtuu siitä, että nykypäivänä kuluttajat tekevät ostopäätöksensä kokonaiskokemuksen perusteella. Lisäksi asiakkaiden tarpeet ovat pidettävä jokaisen päätöksen keskipisteenä.</p>	
Asiasanat omnikanavaisuus, omnikanavainen markkinointi, saumaton asiakaskokemus, vähittäiskauppa	
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1 INTRODUCTION

1.1 Introduction to the topic

As digitalization has taken over the market consumers' have demanded for more coherent consumer experience as well as the possibility to value co-creation (Jocevski, 2020). Or as a little more condensed: "Consumers want everything" (Rigby, 2011, p. 8). Omnichannel marketing has met these expectations as it is defined as integrated customer experience via communication and distribution channels (e.g., Cui et al., 2021; Rahman, Carlson, Gudergan, Wetzels & Grewal, 2022; Shankar & Kushwaha, 2021) where the goal is to blur the lines between online and offline channels (Jocevski, 2020; Verhoef, Kannan & Inman, 2015).

Omnichannel marketing can be seen as the flow of marketing that nowadays drives the operations of many companies. 74% of managers believe that being omnichannel is fairly important, important, or very important, indicating that there are potential benefits to be achieved (Mehta, 2018). Also, many authors have emphasized the positive effect of omnichannel strategy (e.g., Ailawadi & Farris, 2017; Herhausen, Kleinlercher, Verhoef, Emrich & Rudolph, 2019; Maier, Bornschein, Manss & Hesse, 2023; Timoumi, Gangwar & Mantrala, 2022). For example, the positive effects include improved customer loyalty, satisfaction, retention, trust, and sales (Cao & Li, 2015; Neslin, 2022). In addition, greater cross-channel integration improves customer value (Timoumi et al., 2022). The positive effects presented above and the managers' view about the importance of being omnichannel emphasize the importance of omnichannel marketing as a phenomenon that should be utilized by businesses.

1.2 Research justification

There is already knowledge about the positive effects, and motives of omnichannel marketing, but the research lacks a more thorough understanding from retailers' point of view, of what they do and do not and why. In addition, it remains unclear whether every retailer should even become omnichannel because only 17% of consumers use both online and offline channels during a single customer path (Valentini, Neslin & Montaguti, 2020), and because there are additional costs that may not cover the expected benefits (Cui et al., 2021). Furthermore, even though the extant literature has recognized different kinds of challenges (e.g., Ailawadi & Farris, 2017; Larke et al., 2018; Valentini et al., 2020), it remains unclear whether those have affected retailers' operations and why. Below, the research gap will be further justified.

The necessity of implementing a fully omnichannel strategy from the retailer's point of view has already been questioned. For example, based on SmartInsights 74% of managers have perceived being omnichannel as important (Mehta, 2018), but still eMarketer has reported that only 3% of retailers have all channels connected (Droesch, 2019). In addition, Valentini et al. (2020) have found that 49% of consumers are offline-focused and 33% are online-focused, but only 17% of them are fully omnichannel, meaning they use both online and offline channels during a single customer path. These observations call for further investigation into reasons for the gap from a management's point of view: supporting, and inhibiting drivers of being an omnichannel and whether there are some sub-areas where it is difficult to implement fully omnichannel experience. Also, it remains unclear whether unique capabilities are required for retailers to harness the full potential of omnichannel marketing.

The positive effects related to being omnichannel are widely recognized. In 2013, Brynjolfsson, Hu, and Rahman identified successful strategies for omnichannel retailing, but their focus is only limited to pricing and harnessing data. Moreover, Timoumi et al. (2022) have inquired whether an omnichannel strategy is worth utilizing based on an extensive literature review and found several positive effects. It is also acknowledged that channel integration affects positively overall sales and performance (Cao & Li, 2015; Maier et al., 2023; Timoumi et al., 2022), customer engagement, satisfaction, and loyalty (Cuesta-Valiño et al., 2023; Neslin, 2022), and on word-of-mouth, the share of wallet, and trust (Rahman et al., 2022).

Even though the positive effects of omnichannel marketing have been investigated (e.g., Ailawadi & Farris, 2017; Cao & Li, 2015; Herhausen et al., 2019; Maier et al., 2023; Timoumi et al., 2022), it remains unclear whether every retailer should aim to implement a fully omnichannel strategy, or as Neslin (2022, p. 113) refers "complete strategy". Also, Valentini et al. (2020) have questioned if every retailer should even become omnichannel, because many customer segments are

deal-prone, and they tend to compare processes across different retailers. Moreover, Cui et al. (2021) have suspected whether the additional costs of undertaking omnichannel marketing cover the expected benefits.

Moreover, the extant research has studied motives and challenges (e.g., Ailawadi & Farris, 2017; Cao & Li, 2015; Cuesta-Valiño, Gutiérrez-Rodríguez, Núñez-Barriopedro & García-Henche, 2023; Larke, Kilgour & O'Connor, 2018; Maier et al., 2023; Neslin, 2022; Timoumi et al., 2022) of omnichannel marketing, but the processing has not been thorough enough. Regarding the motives, it is acknowledged that mobile media helps reach more targets (Lyu, Krasonikolakis & Chen, 2023) and Timoumi et al. (2022) have found that channel integration increases purchase value, but they have not discussed or explained how it can be done. Related to the challenges the discussion has remained superficial. The extant literature has acknowledged that implementing an omnichannel strategy creates challenges, but it lacks deeper understanding from a retailer's point of view. For example, it is known that it requires a long period of time to implement (Larke et al., 2018), not all benefit from it (Ailawadi & Farris, 2017) and consumers tend to focus their purchases on one channel (Valentini et al., 2020). Still, it remains unclear how the different kinds of challenges have affected retailers' operations and why.

Additionally, the authors have focused mainly on the customer's perspective. For instance, Valentini et al. (2020) and Herhausen et al. (2019) have identified different kinds of segments in which the way of consuming differs, and Maier et al. (2023) have investigated the effects of channel addition on consumer behavior. On the other hand, here are some studies that are conducted from management's point of view. For example, Hossain, Akter, Kattiyapornpong, and Dwivedi (2020) have conducted a study with a mixed method, but it focuses on factors that influence integration quality, and Larke et al. (2018) have analyzed the transition from multichannel retailing to omnichannel retailing with in-depth interviews. Moreover, even though Neslin (2022) has studied the integration of various channels, the research only scratches the surface and fails to offer practical insights for managers. Therefore, a deeper understanding from retailers' perspective provides valuable insight to understand their actions: what they do and what not and why. Also, conducting a study of how retailers can create an omnichannel experience and what the implementation of an omnichannel strategy requires in a single study would provide easily accessible information for retailers to use.

1.3 Research objectives and questions

The first research question aims to investigate which factors guide retailers to be omnichannel. The second research question offers managers insight into different factors that affect the implementation of an omnichannel strategy. By unrav-

eling the answers to the research questions, the aim is to find why only few retailers have channels connected even though it is perceived as important and whether there are some sub-areas where it is difficult to implement an omnichannel experience. Moreover, it sheds light on whether investing in omnichannel strategy is a profitable and sensible investment from a management's perspective, and how managers feel about utilizing omnichannel marketing as a part of business strategy.

RQ1: What drivers guide retailers to be omnichannel?

RQ2: Which factors affect the implementation of an omnichannel strategy?

1.4 Research structure

This research has been divided into five chapters. The first chapter offers an introduction to the topic, justifies the research topic, and presents the research objectives and questions. The second chapter consists of a brief introduction of the key concepts; omnichannel marketing and a found overlap between concepts related to omnichannel. The existing literature about omnichannel marketing is explored to find relevant information and to recognize the research gaps. The literature review investigates which factors influence the channel choice of different customer segments, and explores positive effects and challenges related to channel integration. The second chapter also explores Neslin's (2022) omnichannel continuum framework which has been chosen to be the theoretical framework of this master's thesis. Using the framework is possible to investigate in which stage the firm is in the omnichannel continuum and to explore different factors that affect the choice of strategy.

The third chapter outlines data collection and analysis processes. This master's thesis has been implemented as a qualitative case study because the goal is to investigate omnichannel marketing in Finnish retail business, and according to Yin (1983, in Metsämuuronen, 2011), a case study produces knowledge in a certain environment. The data collection phase included eight, semi-structured interviews which allowed to get a deep understanding of how companies implement omnichannel strategies, and why they have chosen to implement strategies the way they do. The data was analyzed based on the principles of thematic analysis.

In the fourth chapter, the key findings of the research are represented. The findings are displayed under the main themes identified in the analysis process. Moreover, informative tables and figures clarify the findings. The main themes emphasize competition, and consumer demand, as well as supporting and hindering drivers, as drivers that guide retailers to be omnichannel. Also, paying attention to the role of online and offline channels, the role of communication channels, the integration of online and offline channels, and the utilization of data. The fifth chapter includes analyzing the results in light of the research questions

and theoretical framework. In addition, it discusses managerial implications, research evaluations, limitations, and future research proposals.

Grammarly has been used to check the language.

2 THEORY

The purpose of this chapter is to explore the concept of omnichannel marketing, in light of the literature. First, the key concept of omnichannel marketing has been introduced, which refers to providing customers with a seamless experience across both distribution and communication channels (Cui et al., 2021). Then, the thesis sheds light on the extant literature that has investigated the changes in consumer behavior. The changes have led to the use of online and offline channels in a single purchase path and leveraging the benefits of each channel. Moreover, the literature review discusses the positive effects and challenges related to omnichannel marketing, as well as the fact that different channels serve different customer purposes. After that, the theoretical framework used in this thesis is considered. Last, the synthesis of the extant knowledge has been presented.

2.1 The key concepts

2.1.1 Omnichannel marketing

This master's thesis utilizes the definition by Cui et al. which has broadened the scope of omnichannel marketing. They broadened the scope of the definition based on observations made by Ailawadi and Farris (2017) who noted that omnichannel marketing encompasses in addition to distribution channels, also channels of communication.

“The synergistic management of all customer touchpoints and channels both internal and external to the firm to ensure that the customer experience across channels as well as firm-side marketing activity, including marketing-mix and marketing communication (owned, paid, and earned), is optimized for both firms and their customers (Cui et al., 2021, p. 104).”

Omnichannel marketing refers to creating a seamless customer experience across both distribution and communication channels (Cui et al., 2021). It includes how consumers are influenced in channels and how they move within channels (Verhoef et al., 2015), communication (Ailawadi & Farris, 2017; Cui et al., 2021), and offering consumers information, services, and support (Shankar & Kushwaha, 2021). Communication can be both internal and external (Cui et al., 2021) and it includes owned, paid, and earned media (Ailawadi & Farris, 2017). When considering alone distribution channels, one would be talking about omnichannel retailing (see Figure 1). The key definitions and related concepts have been presented in Table 1.

Retailers can create a seamless customer experience by coordinating the objectives, design, and implementation of their channels to create synergies and offer benefits to the customers (Cao & Li, 2015). Customer experience is the result of the customer's reaction to the retailer's touchpoints including the firm's branding, goods, and services (Suh & Moradi, 2023). They have stated that omnichannel marketing has revolutionized retailing and consumer behavior and indicated that it offers retailers many opportunities to leverage new technologies to serve customers' expectations. It has also been identified, that combining channels serves different customer segments and cope with the growing competition (Timoumi et al., 2022) and that an omnichannel strategy can be a base of competitive advantage (Jocevski, 2020). Based on Gauri et al. (2021), the reason for the competitive advantage is the combination of channels which makes it possible to benefit from the accessibility and assortment of online channels, as well as personal inspection and immediate delivery in offline channels. Still, Cui et al. (2021) have noted that challenges related to data, marketing attribution, and customer privacy have prevented omnichannel marketing from achieving its full potential.

Omnichannel marketing

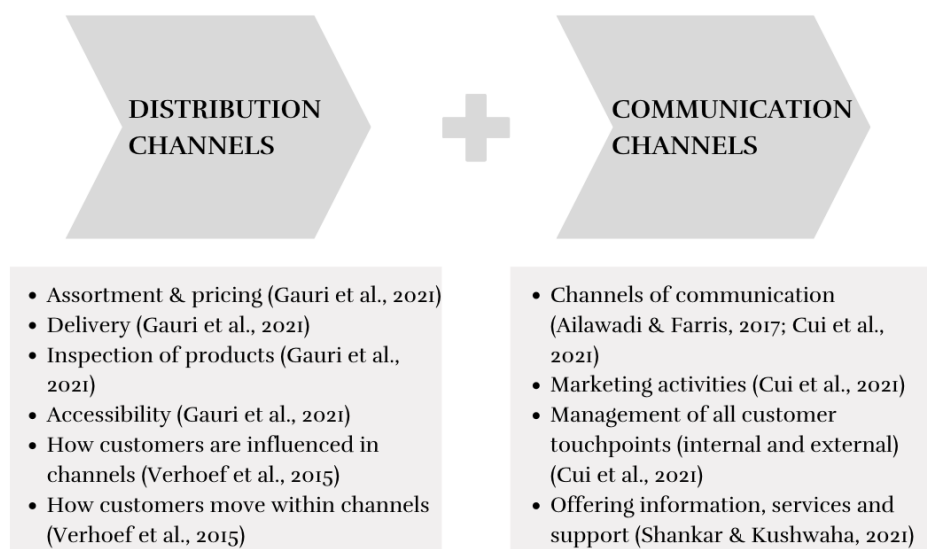


Figure 1. Omnichannel marketing includes distribution and communication channels.

2.1.2 Overlap between concepts related to omnichannel

Based on the literature review, omnichannel marketing and omnichannel retailing have been partially overlapped. Verhoef et al. (2015, p. 174) were one of the first to introduce omnichannel retailing to the world and stated that omnichannel

retailing “is taking a broader perspective on channels and how shoppers are influenced and move through channels in their search and buying process”. So, based on their definition, distribution channels belong to omnichannel retailing. Later, also Ailawadi and Farris (2017) noted that omnichannel retailing is considered in company-owned distribution channels. However, they also found that in some instances being omnichannel is encompassed in a broader perspective in which companies are reaching customers in the channels of communication. Still, their research was only focused on distribution channels, which relate to omnichannel retailing based on Gauri et al. (2021) and Verhoef et al. (2015).

Table 1. The key definition of omnichannel marketing and related concepts.

Author	Concept	Definition
Ailawadi & Farris (2017, p. 120)	Omnichannel marketing	"Another aspect of the term omnichannel is that it often encompasses not just the channels of distribution through which a supplier's products reach the consumer but also the channels of communication – owned, paid, and earned – through which a marketer interacts with the consumer."
Cui et al. (2021, p. 104)	Omnichannel marketing	"We broaden the scope of previous definitions and define omnichannel marketing as the synergistic management of all customer touchpoints and channels both internal and external to the firm to ensure that the customer experience across channels as well as firm-side marketing activity, including marketing-mix and marketing communication (owned, paid, and earned), is optimized for both firms and their customers."
Hossain et al. (2020, p. 225)	Omnichannel marketing	"The notion of seamless integration between channels to provide consistent service experience for customers."
Nguyen et al. (2022, p. 222)	Omnichannel marketing	"Past literature reviews on omnichannel marketing have tackled sub-topics such as customer experience, informational challenges, marketing communication, and consumer behavior."
Cao & Li (2015, p. 200)	Cross-channel integration	"Cross-channel integration is the degree to which a firm coordinates the objectives, design, and deployment of its channels to create synergies for the firm and offer particular benefits to its consumers."
Timoumi et al. (2022, p. 133)	Cross-channel integration	"Strategies for greater cross-channel integration generally have a positive effect on a retailer's overall performance while online advertising has positive effects on offline channel consideration and sales as well as overall sales."
Verhoef et al. (2015, p. 174)	Omnichannel retailing	"Omnichannel retailing is taking a broader perspective on channels and how shoppers are influenced and move through channels in their search and buying process."
Gauri et al. (2021, p. 48)	Omnichannel retailing	"Since online retailing has advantages in accessibility and assortment, while offline retailing has advantages in personal inspection and immediate delivery, retailers can combine the two channels to offer all types of services."

Still, even though the concept may seem clear, overlaps make the concepts of being omnichannel, omnichannel retailing, and omnichannel marketing confusing. Confusion arises when there are discussions about omnichannel marketing, but the studies only consider distribution channels (see Ailawadi & Farris, 2017; Shankar & Kushwaha, 2021; Verhoef et al., 2015). That in turn can create misunderstandings of omnichannel marketing and what it entails and gives permission to consider omnichannel marketing even though a study would only focus on omnichannel retailing. For example, Shankar and Kushwaha (2021, p. 290) have defined omnichannel marketing as “offering shoppers information, product, services, and support through two or more synchronized distribution channels seamlessly” even though they are only considering distribution channels that relate to omnichannel retailing. Second, obscurities can also be created when referring to omnichannel or being omnichannel (e.g., Neslin, 2022; Rahman et al., 2022; Valentini et al., 2020) as a seamless customer experience or that it can be achieved through integrating channels (e.g., Cao & Li, 2015; Herhausen, Binder, Schlegel & Hermann, 2015; Maier et al., 2023), without discussing the context, even though the context could be clarified by referring to either omnichannel retailing or omnichannel marketing. Also, Nguyen, McClelland, Thuan, and Hoang (2022, p. 222) have found that “there are intertwined areas between omnichannel marketing and other domains such as retailing and management”, which is why clear distinctions are needed in the future.

2.2 Literature review

Between 1995 and 2010 retailers transformed their operations from single-channel retailing towards multichannel retailing in which retailers can reach their target segments in different channels (Timoumi et al., 2022). They described that at the time, retailers didn't know that customers would utilize multiple channels while shopping. In 2011 it was estimated that within five years technology provides an opportunity to use different channels everywhere (Rigby, 2011). The author even estimated that customers are in front of an omnichannel revolution. Ratchford, Soysal, Zentner, and Gauri (2022) described that to take advantage of the synergies of offline and online channels, offline retailers established online channels and on the other hand, online retailers added physical stores or showrooms. In recent years, online channels have become dominant channels (Verhoef et al., 2015). Timoumi et al. (2022) have stated that smartphones have changed retailing because consumers have access to information, and they can choose what and where to buy. Based on this change retailers have started to think about how to manage interactions and develop the most potential strategies (e.g., Grewal, Roggeveen & Nordfält, 2015; Rigby, 2011; Timoumi et al., 2022).

Nowadays consumers switch channels within and across customer journeys, leveraging the specific strengths of each channel, and that way the experience itself is superior (Nguyen et al., 2022; Rooderkerk et al., 2023). Researchers

have answered to this change in consumer behavior to study the most potential combination of different channels and for example, how online or offline channels affect a firm's performance (e.g., Cao & Li, 2015; Maier et al., 2023; Timoumi et al., 2022; Wang & Goldfarb, 2017). So, by developing the dimensions that specific customer segments value, retailers can create value for customers by strengthening the channels consumers prefer the most.

2.2.1 Different channels serve different customer purposes

Herhausen et al. (2019) have divided customer segments into five groups: store-focused -, pragmatic online -, extensive online -, multiple touchpoint - and online-to-offline shoppers, which differ in their touchpoints, segment-specific covariates, mobile device usage, and journey patterns. Suh and Moradi (2023) have recognized that customers should be segmented based on needs so that firms can fulfill them. Concerning the touchpoints, retailers should be selective for most of the segments in offering touchpoints and allocating budgets accordingly (Herhausen et al., 2019).

Valentini et al. (2020) have noted that many factors and characteristics, including access to physical stores, exploration, mobile access, gender, age, and income, have a significant role in differentiating segments. They have also recognized that opportunities have the most effect on channel selection. Those observations indicate that retailers must focus on ensuring access to the channels that the target group finds important to success. In addition, retailers should investigate, what is the most potential combination of different channels in the given industry and location (Valentini et al., 2020).

Researchers have also studied how different channels are resonating with different customer segments. Herhausen et al. (2015) have found that online channels added to an offline store mainly attract customers who would otherwise purchase from competing, online-only retailers. Moreover, the share of online sales is highest in categories that don't require physical inspection (Ratchford et al., 2022), and in niche products (Ma, 2016). When considering online channels, researchers have recognized that consumers use online channels for low prices and convenience in search, ordering, and delivery (Ailawadi & Farris, 2017). This indicates that consumers who prefer online channels should be targeted with offers that motivate them to experience the online platform as Suh and Moradi (2023) have found. From the retailer's point of view, the online shopping experience should be embraced to serve the non-DIY customer segment and to succeed in the competition between retailers (Suh & Moradi, 2023).

The offline channel added to an online channel attracts most of those customer segments that are unwilling to purchase from an online-only retailer, for example, areas with a lower average household income and an older average population (Maier et al., 2023). Ratchford et al. (2022) have noticed that consumers use offline stores if one is readily accessible. Moreover, DIY customers react favourably towards brands, when they visit in-store (Suh & Moradi, 2023). In addition, offline stores can connect different retailer-customer touchpoints across

physical and digital spaces (Jocevski, 2020). In order to attract offline users, online retailers should offer consumers a reason to change their traditional purchase behavior which could be product variety and assortment (Gauri et al., 2021). Even though the positive effects of offline channels are inevitable, retailers are closing offline stores, because they are not performing well enough by offline metrics (Ailawadi & Farris, 2017). They have argued that by closing stores, retailers are ignoring that offline stores may build online sales for suppliers and retailers. One could also raise the question, of whether some retailers have already noted that a strategy is not working before it has been determined whether the customer segments have been able to utilize different channels.

In summary, the extant research has found that a retailer's strong presence in a specific channel, demographics, location, and whether the products require physical examination should influence the strategy the firm implements (Cao & Li, 2015; Ratchford et al., 2022; Valentini et al., 2020). Moreover, online channels are used for low prices and convenience (Ailawadi & Farris, 2017). Offline channels attract the older average people and people with low income (Maier et al., 2023), even though a readily accessible offline store is an attractive choice for customers (Ratchford et al., 2022). In addition, cross-channel integration boosts sales growth if the firm is less experienced with online (Cao & Li, 2015), and customers with higher levels of online shopping experience are less influenced by omnichannel integration (Herhausen et al., 2015).

2.2.2 The positive effects of channel integration

The positive effects of channel integration are widely explored across different industries, which indicates that firms should invest in an omnichannel strategy. They are presented below in Table 2. Based on the literature review, it can be said that having both online and offline channels improves the overall sales of the retailer (Cao & Li, 2015; Maier et al., 2023; Timoumi et al., 2022). In addition, cross-effects are common (Neslin, 2022), and multichannel buyers are more profitable than single-channel buyers (Neslin, 2022), which indicates that firms shouldn't at least hesitate to channel additions. Also, greater cross-channel integration has a significant positive influence on customer engagement, - satisfaction, and - loyalty (Cuesta-Valiño et al., 2023; Neslin, 2022), as well as on word-of-mouth, the share of wallet, and trust (Rahman et al., 2022).

Moreover, omnichannel integration (*OI*) improves the customer's value and has a positive effect on a retailer's overall performance (Timoumi et al, 2022). Hossain, Akter, Kattiyapornpong, and Dwivedi (2020) have found, that omnichannel integration quality (*INQ*) leads to the perception of higher value because it is possible to use other services from the same retailer. Based on the findings of Hossain et al. (2020), the integration quality of different channels will predict cross-buying intention and perceived value. Also, the integration of channels creates greater opportunities to cross-sell goods across them (Cao & Li, 2015). Herhausen et al. (2019) have highlighted that retailers have to be present in as many

touchpoints as possible for the multiple touchpoint segment and create a seamless customer journey because they consider several competitors owned and additional touchpoints.

Regarding the positive effects of offline channels Wang, and Goldfarb (2017) have recognized that offline stores serve as a billboard that improves brand awareness. In addition, traditional advertising has a positive direct cross-effect on online sales and vice versa online advertising grows the offline channel effectively (Dinner, Van Heerde & Neslin, 2014). On the other hand, regarding the positive effects of online channels, they increase overall sales and customer purchase frequency (Timoumi et al., 2022). Ultimately, it has been argued that if a retailer's goal is to provide the consumer with an omnichannel experience, showrooming should be embraced as offline channels also play an important role in building online sales for retailers and suppliers (Ailawadi & Farris, 2017). Moreover, Herhausen et al. (2019) have specified that showrooms don't result in "free-riding behavior".

Table 2. Summary table of positive effects of channel integration.

The positive effects of channel integration	Authors
Improves overall sales	Timoumi et al., 2022; Cao & Li, 2015; Maier et al., 2023
Buying in multiple channels improves profitability due to (1) higher customer satisfaction and loyalty, (2) self-selection, and (3) marketing.	Neslin, 2022
Increases cross-buying intention.	Hossain et al., 2020
Improves customer engagement, - satisfaction, and - loyalty.	Cuesta-Valiño et al., 2023; Neslin, 2022
Increases customer value.	Timoumi et al., 2022; Akter et al., 2020
Increases word-of-mouth, the share of wallet, and trust.	Rahman et al., 2022
Offline stores serve as a billboard that improves brand awareness.	Wang & Goldfarb, 2017
Offline channels build online sales.	Ailawadi & Farris, 2017
Mobile media helps reach more targets and improve sales.	Lyu et al., 2023
Online channel increases overall sales and customer purchase frequency.	Timoumi et al., 2022
Online advertising grows the offline channel effectively.	Dinner, Van Heerde & Neslin, 2014
Retailers can generate a competitive advantage through greater digitalization.	Cuesta-Valiño et al., 2023
By channel consistency firms can enhance how consumers relate to the brand.	Suh & Moradi, 2023
Different channels can complement each other through informative marketing communications	Wang & Goldfarb, 2017

By utilizing mobile technologies, retailers can create a seamless customer experience and, in that way, leverage the positive effect of channel integration (Jocevski, 2020). Also, by developing mobile channels and technologies retailers can serve especially younger consumers. For example, Lyu et al. (2023) have emphasized that young consumers are more engaged in advanced and innovative technologies. Their notion indicates that more seamless precision and productivity are needed across channels. Herhausen et al. (2019) have emphasized the role of mobile devices in information search. Based on Herhausen et al.'s observation, by extending the business models through mobile media, offline retailers can reach more targets and improve sales (Lyu et al., 2023). Also, Dinner et al. (2014) have found that omnichannel retailers can utilize online advertising to grow the offline channel effectively. In addition, investing in secure and consumer-friendly applications and customer service as well as providing a good portfolio on the website influence positively consumers engagement, satisfaction, and loyalty (Cuesta-Valiño et al., 2023). They have also identified that eventually, omnichannel retailers can generate a competitive advantage when improving the consumer experience during the purchase path through greater digitalization.

Overall, the positive effects of omnichannel marketing are widely explored and emphasize that they should strive for it. By channel consistency between online and offline channels, companies can improve sales (Cao & Li, 2015; Maier et al., 2023; Timoumi et al., 2022) and customer loyalty (Cuesta-Valiño et al., 2023; Neslin, 2022) and increase word-of-mouth. Moreover, firms can enhance how consumers relate to the brand (Suh & Moradi, 2023), and different channels can complement each other through informative marketing communications (Wang & Goldfarb, 2017). In addition, brick-and-mortar stores serve as a billboard that improves brand awareness (Wang & Goldfarb, 2017), and online channels can be used to reach more customers (Lyu et al., 2023). Through omnichannel marketing, retailers can achieve competitive advantage and channel synergies rather than channel cannibalization by integrating channels (Herhausen et al., 2015; Maier et al., 2023; Ratchford et al., 2022).

2.2.3 Challenges related to channel integration

In the last decade, consumer behavior has changed drastically as consumers have moved from brick-and-mortar stores to online and mobile channels and started to utilize both, online and offline channels for shopping. That is why retailers have been forced to change long-established business models that have been built around the original business channels (Jocevski, 2020). However, it is not always that simple to implement an omnichannel strategy because channel integration and planning the strategy carefully requires a long period (Larke et al., 2018). In addition, external forces may influence the retailer's channel strategies and make it more complicated (Timoumi et al., 2022).

Moreover, some studies have highlighted how pivotal the strategy decisions can be. Valentini et al. (2020) have found that consumers are either online – or offline-focused. For example, the newly added offline channel resonates with

an older average population and a lower average household income (Maier et al., 2023). From the retailer's point of view, Cao, and Li (2015) have noticed that cross-channel integration boosts sales only if the firm is less experienced with online and that retailers with a strong focus on a specific channel, benefit less from cross-channel integration. In addition, channel addition does not change the behavior of active online channel users (Maier et al., 2023) or they are less influenced (Herhausen et al., 2015). Also, Ailawadi and Farris (2017) have noticed that there are independent, separate, suppliers who do not necessarily benefit from multiple channels, or at least do not know whether they are benefiting or not. The findings indicate that there are several factors, including the consumer behavior of the target segment and whether the firm has had a strong focus on a specific channel, influence the success of a newly added channel. That also indicates that large online retailers might need to evaluate carefully before investing in offline channels. However as discussed earlier, there can be positive effects that do not show up in sales but that affect success in the retailer's other channels.

Ratchford et al. (2022) have identified that the effects of channel additions vary based on several factors. These include for example the focus on the short-term versus the long-term effects, the focus on purchases from existing versus new customers, and the extent of the retailer's offline presence in a location. In addition, the customer segments that the retailer wants to reach influence the firm's choice of whether it should invest in channel integration (e.g., Valentini et al., 2020). Larke et al. (2018) have also identified that a retailer's brand and assortment play in pivotal role in omnichannel retailing. This could pose challenges if the same products were not available in every channel and in the long term, along with other issues related to customer value and satisfaction.

2.3 Theoretical framework

This thesis utilizes Neslin's (2022) omnichannel continuum framework as it makes it possible to investigate the research questions from the managers' point of view, which is presented below in Figure 2. The framework helps identify which stage the firm is in the omnichannel continuum and utilize strategy accordingly. It consists of the consumer decision-making process and the distinction between offline and online channels. Neslin has divided consumers' decision process into three stages: (1) information search, (2) purchase, and (3) aftersales support which imitate the customer journey. Those stages may include no coordination between online and offline (*unconnected*), integrated channels at each stage of the consumer decision-making (*horizontal*), vertical coordination that makes it easy for the customer to continue the same channel or switch it (*vertical*), or a fully integrated shopping experience (*complete*). The purpose of the framework is to identify key factors that influence, how firms should locate along the omnichannel continuum, and to implement the strategy accordingly.

**THE OMNICHANNEL
CONTINUUM FRAMEWORK**
(ADOPTED FROM NESLIN, 2022, P. 113)

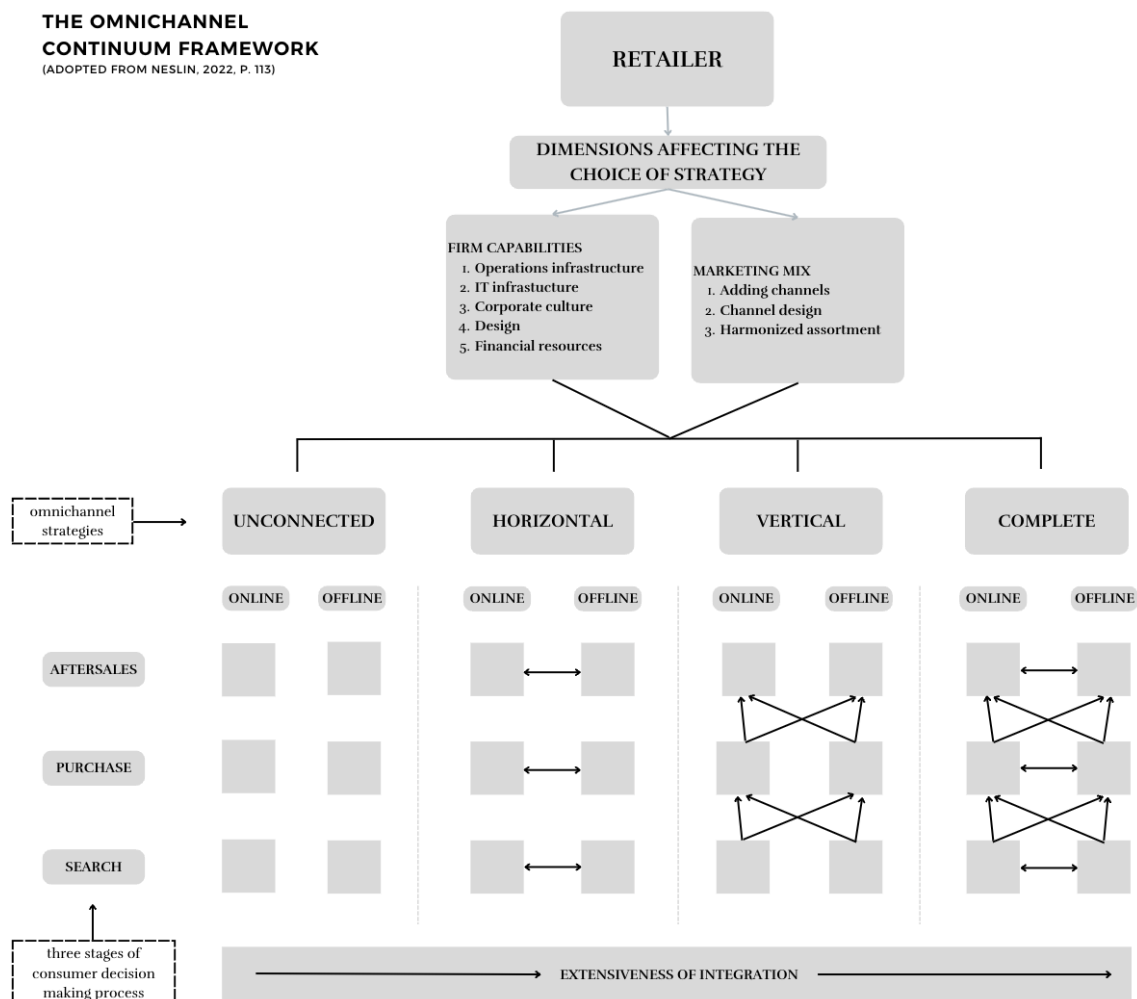


Figure 2. The omnichannel continuum framework (adopted from Neslin, 2022, p. 113).

Neslin (2022) has identified that to implement an omnichannel strategy successfully, the firm's capabilities should at least consist of operations infrastructure, IT structure, corporate structure, design skills, and financial resources. For example, if the firm wishes to minimize financial and organizational costs, and is not looking for tailored customer experience, it should not integrate channels. Based on the framework, it's also possible to investigate to some extent whether managers know what it takes to be an omnichannel retailer and do they find it worthwhile. It may be for example possible that managers do not find it necessary that online and offline channels are connected at every stage of purchase.

The theoretical framework sheds light on the different stages of the omnichannel continuum so firms can use it to understand which stage it is in the omnichannel integration process and to develop the strategy as desired. Neslin (2022) has noted that integrated channels make life easier for customers and that if they like the retailer, they will buy more and be consistent with their loyalty. Based on his observations, retailers should proceed along the omnichannel continuum. Still, there are findings, that show that a complete strategy is not always the greatest fit, for example, if a retailer's operations have previously been focused on a

specific channel (Cao & Li, 2015) or if customers are online channel users (Maier et al., 2023). That is why each firm should customize an omnichannel strategy according to resources and assets, as Cai and Lo (2020) have suggested.

2.3.1 Dimensions affecting the choice of strategy

There are several factors affecting the channel choice, including the marketing mix and the firm's capabilities. Neslin (2022) has presented these factors in his framework of the omnichannel continuum. The firm's capabilities include (1) operations infrastructure, (2) IT infrastructure, (3) corporate culture, (4) design, and (5) financial resources. The marketing mix includes harmonized pricing and assortment, channel design, and marketing cross-effects. The firm's capabilities and marketing mix have been included in the theoretical framework, excluding harmonizing pricing.

Authors have discussed harmonizing assortment and price as part of an omnichannel strategy, but there is controversial data on whether consumers expect symmetric assortment and pricing across channels (see Neslin, 2022; Ma, 2016; Lee, 2020). Hence harmonizing assortment and price have been excluded from the framework. The researchers have found that price sensitivity is higher in online stores and that retailers should at least offer a full assortment online (Neslin, 2022; Ma, 2016; Lee, 2020). Product variety and assortment have also been recognized as ways to attract offline users in online channels (Gauri et al., 2021), which indicates that the assortment does not need to be harmonized. Lee (2020) offered an interesting perspective that price consistency leads to dissatisfaction as consumers do not have an opportunity to enjoy finding cheap purchase opportunities.

Operations infrastructure is highlighted especially when connecting different channels in different stages of the consumer decision-making process (Neslin, 2022). This way the firm can ensure that the product is available near the customer. Content consistency influences customers' perceptions which emphasize the importance of IT infrastructure according to the research. When customers perceive the experience between different channels as consistent, it enhances how customers relate to the brand (Suh & Moradi, 2023). Neslin also named design skills as a crucial capability of an omnichannel strategy. Last of all, the firm needs the financial resources to implement an omnichannel strategy.

According to Neslin (2022), managers must decide which channels to include in an omnichannel portfolio, for example, if an online-only retailer should add an offline channel, or if a bank should add a mobile app. However, he has noted there seems to be asymmetry in whether a channel addition improves performance, but he did not have enough data to generalize. He found that in 17 instances of the 32 pairs Channel A helped Channel B but otherwise there were no effects, or it was negative. Ailawadi and Farris (2017) have found that showrooms should be embraced if the retailer's goal is to provide an omnichannel experience. They have also stated that offline stores may build online sales, which suggests that offline channels should be included in the omnichannel portfolio.

2.3.2 Omnichannel strategies

In an unconnected strategy, there is no coordination between channels, and the retailer is not attempting to guide the customer journey (Neslin, 2022). Based on the framework, the lack of coordination minimizes financial and organizational costs, but on the other hand, a retailer cannot ease or tailor the customer experience and in that way is not able to benefit financially from the channel coordination.

In horizontal strategy, the firm integrates channels at each stage of the consumer decision process, so both channels are complete substitutes (Neslin, 2022). However, Neslin has questioned whether different channels should be completely substitutable, as the retailer may then face cannibalization of sales. According to Ratchford et al. (2022), several factors influence whether online and offline channels complement or cannibalize each other. These factors include the extent of the retailer's offline presence and the focus on purchases from existing versus new customers and long-term versus short-term. If retailers have integrated channels horizontally customers can for example pay online and pick up in-store or search both online and offline (Neslin, 2022). This is because it is possible to change the channel in the middle of a stage only if channels are horizontally integrated.

Neslin (2022) has amplified that paying online and picking up in-store is not possible in the vertical strategy because then the channels are not horizontally integrated. However, it is also possible that a retailer follows a hybrid strategy so that a retailer for example integrates vertically search and purchase stages, but horizontally aftersales support. This would mean that a customer can choose to use for example an online channel for search and an offline channel to make a purchase, but not change the channel in a specific stage, and an aftersales support customer could have an opportunity to choose between either of the channels.

In vertical strategy, retailers ease customers' opportunities to continue the same channel or switch the channel as they proceed in the decision process (Neslin, 2022). So, in practice retailers might encourage customers to use the same channel at each stage, or use an online channel for search and purchase, but an offline for after-sales. This also makes it possible not to harmonize assortment or pricing, which has already been discussed above. However, in this strategy, channels are not horizontally integrated which can be frustrating as customers cannot utilize the advantages of online channels, such as a website that remembers previous purchases, in offline channels. Showrooming and webrooming are well-known retailing strategies that utilize vertical strategies (Neslin, 2022). Bell, Gallino, and Moreno (2018) have found that customers use showrooms to touch, feel, try, and experience the product physically before making a purchase decision. They also found that webrooming makes it possible to browse the entire product line on the website, and virtually get to know the products.

In a complete strategy, the retailer is highly coordinating all channels in every stage of the customer journey and utilizes the benefit of both channels to create a fully satisfying customer experience (Neslin, 2022). However, this choice

of strategy requires financial resources and different kinds of capabilities to coordinate different channels both horizontally and vertically. In addition, the complete channel coordination requires extensive data gathering while the offline-focused segment values privacy (Neslin, 2022). He has also noticed that by fully integrating all channels the individual characteristics of different channels might weaken, which in turn is against the fact that customers want to utilize the unique benefits of different channels.

2.4 Synthesis of the extant knowledge

The summary of the extant literature, presented below in Table 3, suggests that omnichannel marketing presents opportunities to meet the changing landscape of retailing and evolving customer expectations. By implementing an omnichannel strategy retailers can exploit the accessibility and wide assortment of the online channel, personal inspection, and immediate delivery in the offline channel and improve the overall customer experience through greater digitalization (Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020). Eventually, it has been noticed that cross-channel integration improves overall sales, customer engagement, satisfaction, and loyalty (Cao & Li, 2015; Cuesta-Valiño et al., 2023; Maier et al., 2023; Neslin, 2022; Timoumi et al., 2022). Still, to succeed in implementing omnichannel marketing, retailers need to understand the markets they are operating in and specifically their customers. That is due to several challenges and other factors affecting the choice of strategy including firm capabilities and characteristics of target segments (Ailawadi & Farris, 2017; Neslin, 2022; Valentini et al., 2020).

Table 3. Summary table of the extant literature.

Key findings in theory	Authors	Research question
Omnichannel marketing offers retailers many opportunities to leverage new technologies to serve customers' expectations.	(Suh & Moradi, 2023)	RQ2
Omnichannel strategy can be the basis of a competitive advantage (1) by exploiting the accessibility and wide assortment of online channels, (2) by benefiting personal inspection and immediate delivery in offline channels, and (3) by improving consumer experience in the shopping process through greater digitalization.	(Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020)	RQ1
Consumers use online channels for low prices and convenience in search, ordering, and delivery.	(Ailawadi & Farris, 2017)	RQ2
Having both online and offline channels improves the overall sales of the retailer.	(Timoumi et al., 2022; Cao & Li, 2015; Maier et al., 2023)	RQ1

Greater cross-channel integration has a significant positive influence on customer engagement, satisfaction, and loyalty.	(Cuesta-Valiño et al., 2023; Neslin, 2022)	RQ1
Offline stores serve as a billboard that improves brand awareness.	(Wang & Goldfarb, 2017)	RQ2
Offline retailers can reach more targets and improve sales through mobile media.	(Lyu et al., 2023)	RQ2
Challenges related to omnichannel marketing and channel integration including long period time planning and external forces.	(Larke et al., 2018; Timoumi et al., 2022)	RQ1
To implement an omnichannel strategy successfully, the firm's capabilities should at least consist of operations infrastructure, IT structure, corporate structure, design skills, and financial resources.	(Neslin, 2022)	RQ1
Each firm should customize its omnichannel strategy according to resources and assets.	(Cai & Lo, 2020)	RQ1

3 DATA AND METHODOLOGY

This chapter outlines the methodology used in this study. First, the qualitative research strategy has been discussed. This master's thesis was conducted as a qualitative research method, in which the objective was to provide context-dependent information about omnichannel marketing in retailing in Finland. Second, data collection and analysis processes have been discussed. The data collection included eight semi-structured interviews. The interviewees worked in manager positions in companies that operate in fast-moving consumer goods or specialty goods trade, including clothing, sports, and electronics. The data was analyzed based on the principles of thematic analysis. The methodological process has been presented in Figure 3. Furthermore, this chapter aims to justify why the selected methods have been chosen for this master's thesis.

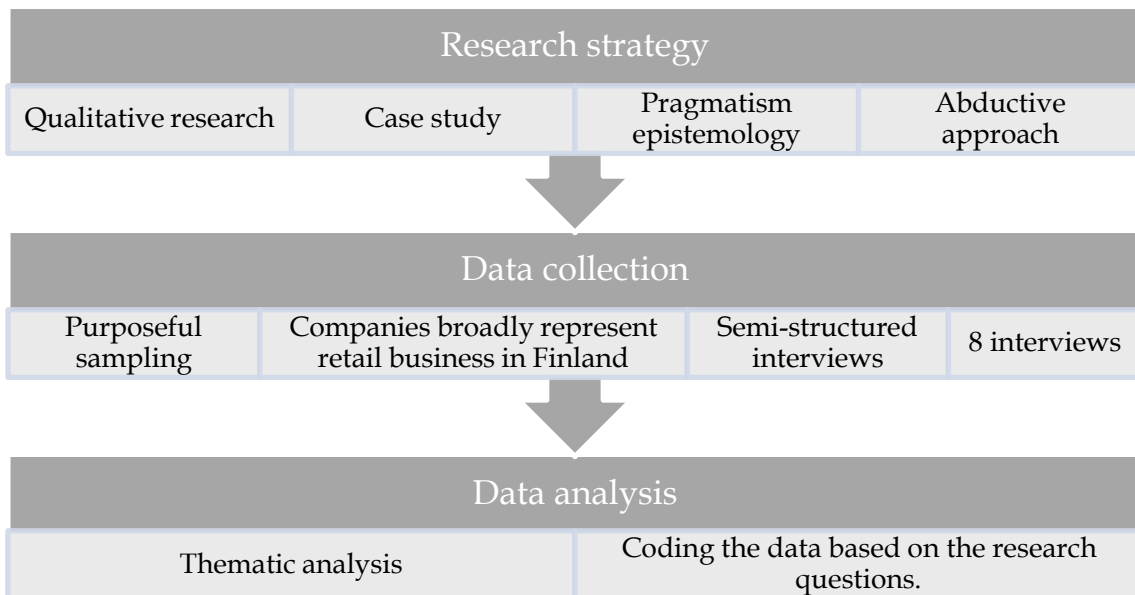


Figure 3. The methodological process of this master's thesis.

3.1 Research strategy

This master's thesis was conducted as a qualitative research method. Qualitative research strategy served the purpose because it did not look for generalizable answers, but instead focused on finding detailed explanations of the phenomenon (Salmons, 2015). Furthermore, this master's thesis was based on pragmatic epistemology, which is focused on a practical and real-world view of the topic (Salmons, 2015; Hammersley, 2004). The purpose of this master's thesis was to get a deep understanding of omnichannel marketing from a management's point

of view. Moreover, it produced context-dependent information that can be used to understand the retail operations and develop them.

The research focus was on retail in Finland, and the research was conducted as a case study. A case study was chosen, because it investigated an event or person in a certain environment (Yin, 1983, in Metsämuuronen, 2011) and it could involve single or multiple cases (Eisenhardt, 1989). The case here was omnichannel marketing in Finnish retailing, so there were multiple companies involved in this case study. Eisenhardt (1989) has concluded that one of its strengths is that the results are likely to be empirically valid, as the theory-building process is so tied to the evidence. Moreover, Flyvbjerg (2006, p. 242) has cited Kuhn who reminded that “a discipline without a large number of thoroughly executed case studies is a discipline without systematic production of examples, and that a discipline without examples is an ineffective one”.

Themes were identified in an abductive way because it has been described as useful if the research objective is to discover new things (Dubois & Gadde, 2002). Because the analysis process was done in an abductive way, it was based on the theoretical framework, but also modified based on empirical findings and theoretical insights gained during the process, as Dubois and Gadde described. Also, Perry (1998) has highlighted the ongoing interplay between theory and findings. He has described this process as a combination of induction and deduction, where the researcher benefits from the existing theory but further develops the ongoing theory.

3.2 Data collection

The interviews were a source of information for the thesis to get a deep understanding of the research problem. The interviewees were selected based on purposeful sampling, which is based on some characteristics that occur in the sample (Daniel, 2012). The common characteristic of the interviewees was that they worked in management positions in the retail segment in Finland. The need to target the research to the management was identified in the literature review. The case companies were chosen across the retail segment in Finland, and they broadly represented retail businesses in Finland. All the companies were large and medium-sized enterprises, so they employed more than 50 employees (Yrittäjät, n.d.). The companies that participated in this thesis operated in fast-moving consumer goods or specialty goods trade, including clothing, sports, and electronics. In total, an interview request was sent to 35 people from 13 companies, and eventually, eight people were interviewed from seven companies (see Table 4).

Interview requests were sent to each candidate by e-mail in January 2024. If the person agreed to be interviewed, interview questions, research notification, and privacy notes were sent in advance so that everyone could familiarize themselves with the questions. The interviews were organized in Teams. Before each

interview, a briefing was organized, which included the following parts. First of all, the research aims to investigate the phenomenon of omnichannel in the retail segment. Second, the answers are anonymized so that the interviewee or the company cannot be identified. Thirdly, interviewees are asked for permission to record and transcribe the interview in Teams, which also improved the accuracy, since there is data to return later.

The research was carried out using semi-structured interviews, which included some freedom to modify the questions to each person's knowledge (O'Gorman & MacIntosh, 2015; Hyvärinen, Suoninen & Vuori, n.d.). However, it is recognized as time-consuming, requires good interview skills to keep on topic, and may lack generalizability (O'Gorman & MacIntosh, 2015). The interviewees came from different kinds of companies, so they had different company policies that affected the interviews. They also considered omnichannel in different ways, in which case it was not possible to ask the same questions to each interviewee.

Table 4. Information table of interviewees.

Respondent	Gender	Management position	Company	Interview duration (min)
R1	Male	Upper	Company a	52:13
R2	Male	Upper	Company a	46:36
R3	Male	Upper	Company b	44:57
R4	Female	Upper	Company c	50:17
R5	Male	Upper	Company d	60:00
R6	Male	Upper	Company e	44:24
R7	Male	Upper	Company f	57:14
R8	Female	Upper	Company g	45:12
Total:	8		7	400 min

The interview themes were decided based on the research gaps and the framework. The interviews included five main questions to cover the most critical parts of the research gaps. Additional questions were asked in the interviews as necessary so that the answers were broad enough and included examples. The interview questions have been presented in Appendix 1. The length of the interviews varied from 44 minutes to 60 minutes.

3.3 Data analysis

The data was analyzed based on the principles of thematic analysis, which consists of identifying, analyzing, and reporting themes within the data (Braun &

Clarke, 2006). The analysis process followed Braun and Clarke who have divided the analysis process into six phases, which include (1) familiarizing yourself with the data, (2) generating initial codes, (3) searching for themes, (4) reviewing themes, (5) defining and naming themes, and (6) producing the report. The analysis process has been summarized in Table 5.

Table 5. Phases of a thematic analysis (Braun & Clarke, 2006).

Phase	Description of the phase
1. Familiarizing yourself with the data	Transcription of the interviews. Active reading of the data and searching for meanings and patterns.
2. Generating initial codes	Coding the data set systematically to form the basis of patterns.
3. Searching for themes	Analyzing the data at a broader level and combining codes into overarching themes.
4. Reviewing themes	Reviewing and refining the existing themes so that the data forms coherent patterns and there is a clear distinction between themes.
5. Defining and naming themes	Further refining the themes to identify the essence of each theme and that the overall data set reflects the research questions.
6. Producing the report	Finalizing analysis so that the store about the data is interesting, logical, and consistent.

The first phase included familiarizing with the data which consisted of transcribing the interviews. Since the interviews were transcribed automatically using Teams, this phase included correcting typos and combining speeches into coherent wholes. After that, the interviews were listened to again to make sure that nothing was missing. Braun and Clarke (2006) have emphasized the importance of gaining a deep understanding through continuous, and active reading which refers to searching for meanings and patterns. During the first phase, some notes were already taken regarding the coding of the data.

After familiarizing with the data, it was time to start coding the data, which was based on the empirical data set, as Braun and Clarke (2006) suggested. The coding was done manually and systematically through the data, and it included coding each interesting feature and/or potential pattern into potential themes. At this stage, each interview had been coded separately and the information obtained from all the interviews had not been combined yet.

The third phase began after all data were coded and there was a long list of codes that have been identified from the data set (Braun & Clarke, 2006). The third phase started with sorting all the relevant data under potential themes to analyze how to combine different codes into more overarching themes. The analysis process was done using a mind map that allowed to think about the relationships between different codes and themes. At the end of the third phase, there were several main themes and sub-themes. There was also a theme called *miscellaneous* which consisted of codes that did not fit into other themes, as it was not

possible to abandon any data at this phase because it was uncertain whether the themes would remain as they are.

In the fourth phase, the existing themes were reviewed and refined so that the data within the themes formed coherent patterns and there was a clear distinction between themes (Braun & Clarke, 2006). Based on the authors, the analysis process included breaking down some themes into separate themes and collapsing some themes into bigger ones. During this phase, some candidate themes were also deleted because there was not enough data to support them. After reviewing and refining themes, the data was read again to ensure that the themes reflected the entire dataset and that all the relevant information was coded. In Table 6 below, the themes and the subthemes have been divided under the research questions.

The fifth phase included further refining the themes that were in the analysis (Braun & Clarke, 2006). The target was to identify the essence of each theme and what was interesting and why based on Braun and Clarke. Finally, there was a detailed analysis of each theme and possible sub-themes that helped to structure each theme. During the phase, it was also considered that the overall dataset reflects the research questions and that there was not too much overlap between themes based on Braun and Clarke (2006).

The sixth phase included finalizing the analysis so that it told an interesting, logical, and consistent story about the data (Braun & Clarke, 2006). In addition to describing the data, the authors emphasized that there should be an analytic narrative included that illustrated the story and made arguments about the research questions. Moreover, the examples from the data captured the essence of the themes and persuaded readers of the claims, as Braun and Clarke suggested.

Table 6. Identified themes and subthemes.

<i>RQ1: What drivers guide retailers to be omnichannel?</i>	Subthemes
1. Increasing consumer demand	<ul style="list-style-type: none"> • Doing essential things for the customers while using resources sensibly. • Easing customers' lives. • Engaging customers. • Reaching a wider customer base through online and offline channels.
2. Competition	<ul style="list-style-type: none"> • Being omnichannel does not offer a competitive advantage but instead is necessary to cope with the competition. • The strategy can be implemented in different ways and at different levels.
3. Supporting drivers	<ul style="list-style-type: none"> • Corporate culture. • Automation of operations improves cost efficiency. • Increased sales, and improved profitability. • Customers cross-use online and offline channels.

4. Hindering drivers	<ul style="list-style-type: none"> • Financial resources. • IT integrations. • Operational infrastructure. • Consumer behavior changes slowly.
<i>RQ2: Which factors affect the implementation of an omnichannel strategy?</i>	Subthemes
1. The role of online channels	<ul style="list-style-type: none"> • More and more customer journeys start within an online channel. • Mobile channels play a major role across the retailing. • Online stores have the potential for greater growth than brick-and-mortar stores. • Online channels are used for low prices, to complete the purchase, and to find information that supports and makes it easier for customers to make the purchase decision.
2. The role of offline channels	<ul style="list-style-type: none"> • Offline channels can build up the sales of both channels, engage, serve as a billboard, and bring an experiential dimension to the overall customer experience. • Retailers can utilize brick-and-mortar stores to create needs.
3. The integration of online and offline channels.	<ul style="list-style-type: none"> • Functionalities connect online and offline channels at different phases of the customer path. • Unifying goals. • The integration of distribution channels is considered more important than the integration of communication channels.
4. The role of communication channels	<ul style="list-style-type: none"> • The cohesion of communication • Consumers are drowning in different messages. • Customers are surrounded by a certain type of content.
5. The utilization of data	<ul style="list-style-type: none"> • Identification of customer needs. • Processing data for customers' use. • Automation of data.

4 RESULTS

The purpose of this chapter is to present the key themes that were identified based on the empirical data set. First, drivers that guide retailers to be omnichannel, which include increasing consumer demand, competition, and supporting and hindering drivers, will be discussed. Then, the factors that affect the implementation of an omnichannel strategy will be represented. It is found that the role of online and offline channels and the integration of them, as well as the role of communication channels and the utilization of data, affect the implementation of an omnichannel strategy. The key themes are presented in Figure 4.



Figure 4. Key themes in accordance with the identified themes.

4.1 Drivers that guide retailers to be omnichannel

Based on the interviews, drivers that guided retailers to be omnichannel included increasing consumer demand, competition, and supporting and hindering drivers. Next, the drivers will be explained in more detail.

4.1.1 Increasing consumer demand

Based on the answers, the desire to increase consumer demand drove retailers to be omnichannel. It could be done by making customers' everyday lives easier, engaging, and considering their needs. Moreover, omnichannel marketing offered retailers possibilities to reach a wider customer base, because they could reach them at multiple channels and create content that appealed to certain customer segments. If retailers could engage customers by taking price, ease, and time usage into consideration, the customer was assessed as more valuable to the company. Also, by being omnichannel, retailers could serve customers regardless of time and place. The results are presented in Table 7.

Table 7. Increasing customer demand guides retailers to be omnichannel.

The main theme	Subthemes	Data support
Doing essential things for the customers	<ul style="list-style-type: none"> • Assessing the needs of different customer segments and serving them in the best possible way. • Customers are not automatically more valuable to the company, but only if the company can create features that they value and expect. 	<p>R4: "Our goal is to understand customers' needs and wishes and develop our operations based on them and how they can be connected in a way that is independent of channel, time, and place."</p> <p>R6: "In my opinion, being omnichannel comes from the fact that we start from the customer's needs. Not from our channels, but we try to optimize the satisfaction of the customers' needs in a way that pleases the customer. It's not like the customer has to adapt and move from one channel to another."</p>
Easing customers' lives	<ul style="list-style-type: none"> • Making the shopping experience smoother, faster, and easier. • Purchase can be made easily and effortlessly wherever and whenever. • Providing relevant information to help customers make purchasing decisions. 	<p>R8: "The largest segments make choices based on price, ease, or speed rather than values."</p> <p>R8: "Fundamentally, the customer wants the salesperson to know you and how to serve you. (-) So, omnichannel brings a lot of information. Even if the consumer moves in the digital world, all possible information remains and can be analyzed."</p>
Engaging customers	<ul style="list-style-type: none"> • Offers in online channels increase customer loyalty. • Commitment: Engaging customers by offering things that are important to them. • Social dimension: The desire to experiment and to be inspired. 	<p>R5: "We are also involved in the loyalty program, and we want to bring added value to club members - better benefits than non-club members. The thing about club membership is that we want to increase sales and loyalty."</p> <p>R6: "If you have a better omnichannel whole, people will visit the brick-and-mortar store more often, so you always have to be better than your competitor, and then people will choose the service you offer."</p> <p>(-) "There is relevant inspiration that will help you make decisions."</p>
Reaching a wider customer base	<ul style="list-style-type: none"> • Creating the same message in several channels. • The market area is wider online, and the number of online users is growing all the time. 	<p>R2: "Well implemented we can deliver the same message to the customer in several different channels and reach a wider customer base."</p> <p>R3: "The market area is completely different online because in brick-and-mortar stores it is limited to their locations."</p> <p>R8: "You can reach the entire potential market."</p>

4.1.2 Competition

Utilizing omnichannel marketing in the strategy was viewed as a core of the business that is not a choice that you can or cannot make, because competition is tight in the retailing business. Hence, it will not offer a competitive advantage but instead is essential for retailers to cope with the competition. In addition, in the past retailers could determine, how customers were served, but today the power rests with the consumer. The retailers emphasized that their goal is to reach and serve customers by all means in all the channels used so that customers' desires and expectations are at the center of the company's decision-making.

R5: "The reason why we invest in omnichannel is that we are looking for business growth. It is today and has been for some time a prerequisite for being able to grow. If the customer could only buy in the store or online, then we could not do in today's competition."

R6: "There may be few competitors with really tough competition. And could it be the case in Finland, because so many competitors have dropped out, so they have not succeeded in the competition? Then the competition has been really tough."

(--) "Well, being omnichannel is not an option one can or cannot make. (--) If you are a national chain, it is a lifeline. In today's world, it is impossible not to find price and product information. You must have the option of buying online as well because that is such an essential part of trade nowadays."

4.1.3 Supporting drivers

The interviewees identified supporting drivers, which offered them reasons to be omnichannel. After the analysis process, the following themes were identified: (1) corporate culture, (2) automation of operations, (3) increased sales, and improved profitability, (3) reaching a wider customer base, and (4) consumers cross-use online and offline channels. The supporting drivers are presented below in Table 8.

Table 8. Supporting drivers guide retailers to be omnichannel.

The main theme	Subthemes	Data support
Corporate culture	<ul style="list-style-type: none"> Solving the culture is essential. Know-how also from outside the company because change requires an open mind. Rewarding the staff in the brick-and-mortar stores to motivate them. The company's uniform working culture. 	<p>R1: "It requires a change in the way of thinking within the organization in every department."</p> <p>R5: "Change requires an open mind and expertise from outside the company and the industry." (--) "At the end of the day, this is about culture: are we one team?"</p> <p>R6: "It often requires the company's know-how." (--) "You also have to think about how sales are rewarded and on what basis."</p>

Automation of operations	<ul style="list-style-type: none"> Improves cost efficiency. Collection and delivery of products using automation. For example, unmanned stores, and self-service checkouts. 	<p>R3: "Products collected and transported using automation."</p> <p>R7: "Few people want a salesperson anymore, especially the younger generation. They want systems where they can use their cellphones to serve themselves."</p>
Increased sales, and improved profitability	<ul style="list-style-type: none"> The role of online shopping is growing in retailing. Easier buying in different channels creates growth. Customers who do business in several channels are valuable to the company. Expansion of operations beyond the industry improves profitability. 	<p>R1: "The more products and services we can offer online, the more broadly we can serve the customer. Not only through the industry's products but also through new product groups and services."</p> <p>R2: "We can make it easier to buy in different channels and thereby create growth."</p> <p>R5: "When you are part of an omnichannel entity, there are usually better opportunities to make the business profitable."</p> <p>R6: "I believe that those who do business in several channels are usually valuable for the company."</p>
Customers cross-use online and offline channels	<ul style="list-style-type: none"> Customer searches for the products online before the purchase. The purchase can be made in online or offline channel. Customers can use both channels after the purchase. 	<p>R1: "During the purchase, the customer is interested in offers, prices, and the selection."</p> <p>R2: "There are happy-or-not machines, and Google Review. Then you can give feedback in online channel, call customer service, or give direct feedback in brick-and-mortar stores."</p> <p>R4: "Customers decide whether they go to the store, pick up the products, or order a delivery." (--) Getting feedback from different channels and using different methods is incredibly important and must be diversified."</p> <p>R5: "When buying, the customer usually needs information to support the purchase decision, and online is an integral part of that stage."</p>

First, a corporate culture in which people are ready to work to achieve common goals supported the implementation of an omnichannel strategy. It could be achieved through motivating and rewarding the staff. Moreover, some changes within the company may have needed to be made because new people brought new perspectives and could be more open-minded regarding changes. Second, the automation of operations can improve cost efficiency because the collection and delivery of products can be done using automation. Unmanned stores and

self-checkouts are examples of how customers could utilize automation to ease their purchase path. Furthermore, it was found that being an omnichannel retailer can increase sales and improve the company's profitability. This finding is explained by easier buying when customers can use multiple channels for it and by expanding the offerings. In addition, the interviewees noted that customers cross-use both channels during a single customer journey. For example, even though customers will buy the product or service from the brick-and-mortar store, online channels will be used during the customer journey.

4.1.4 Hindering drivers

Next, the interviewees were asked to review drivers that hinder retailers from being omnichannel. Based on the interviews (1) financial resources, (2) IT integrations, (3) operational infrastructure, and (4) the slow change in consumer behavior could hinder it. The results are presented in Table 9.

Table 9. Drivers that hinder retailers from being omnichannel.

The main theme	Subthemes	Data support
Financial resources	<ul style="list-style-type: none"> Investment capacity. The fixed costs of IT systems. The total cost of operations, in other words, what the investment and maintaining the system requires. 	<p>R4: "Implementing an omnichannel strategy is a constant balancing act from the point of view of resources, investments, prioritization, and focus."</p> <p>R6: "Money is a big obstacle, because every stage of development costs, and there needs to be money for investments."</p> <p>R7: "Fixed costs are massive in this IT world. (--) It has a certain fixed cost and scaling costs nothing, so for smaller gamblers it presents a challenge."</p> <p>R8: "The total cost of the operation has to be taken into account, so it is not just about the investment, but also what it costs to maintain it all."</p>
IT integrations	<ul style="list-style-type: none"> Usability and user experience in IT systems. Development of platforms: either own platforms or utilization of general solutions. Increased level of requirements for product data management (e.g., product and price information in the same systems). 	<p>R1: "It requires a lot of investments in terms of system technology so that the systems are integrated, and we can offer a seamless customer experience."</p> <p>R6: "Of course, you can make general solutions, but you cannot tailor them to your company's use." (--) "In online channels usability and user experience play a big role in whether you want to use the company's services."</p>

		R8: "Data movement between different systems is everything. (--) So, there is the investment side, data mobility side, data architecture, data integrations, and various interfaces. They have to be such that they cannot be terribly rigid because otherwise it would be too expensive and then you are constantly lagging behind the market, as many are."
Operational infrastructure	<ul style="list-style-type: none"> • Low profitability in online stores • Relatively small sales in online channels compared to brick-and-mortar stores in the grocery segment. • A large amount of assets in brick-and-mortar stores. • The limited space in the brick-and-mortar stores. 	<p>R1: "At the moment we have a limited selection due to the lack of space."</p> <p>R3: "The consumer behavior in online channels is campaign-oriented. There, the retailers compete with discounts and all other benefits, which reduces the profitability. (--) Making operations profitable in an online store is more challenging than in a brick-and-mortar store."</p> <p>R4: "Of course, sales volumes and data tell what the weight values are today. But in our context, we cannot forget the web, even though three percent of food is sold online."</p>
Consumer behavior changes slowly	<ul style="list-style-type: none"> • Consumers are creatures of their habits and do not want changes. • Consumer behavior changes slowly. 	<p>R2: "It has been a lesson for me, that consumer behavior changes very slowly, so even if we see that we have a really good technical solution, we will quickly get the Tesla and Apple people on board, but it will take a while for us to get a large mass involved in those changes."</p> <p>R7: "Here, the retail chains are not at the forefront, so they do not invest to create consumer demand. (--) Especially in the grocery segment, the consumers are creatures of their habits and do not want changes."</p>

First, the company needed to have enough financial resources and investment capacity. They were needed not only to develop system integration but also for system maintenance. In addition, the costs of IT were the same regardless of the size of the operations, which is why, especially smaller retailers had difficulties being omnichannel. Second, the implementation of an omnichannel strategy required IT integrations. Usability and user experience were at the core of the systems, which influenced whether the customer wanted to use the company's services. Companies could either utilize general solutions or develop their platforms

that could be tailored based on their own needs. It was also emphasized that the requirements for product data management have increased. For example, to be omnichannel the channels have to be integrated, which in turn requires that the product and price information are in the same system. Moreover, to develop operations and due to the costs of maintaining the systems, finances were required.

Operational infrastructure hindered the creation of an omnichannel strategy, due to slow sales development and low profitability of online stores. Those concerns were especially in the grocery segment, in which the sales of online channels were relatively low, and the purchases were more profitable in the brick-and-mortar stores. Therefore, not all retailers have seen the need to make large investments in online channels in the short term. It was also found that consumers are price-conscious online, and their behavior is campaign-oriented, which is why retailers have started to compete with discounts, which have reduced profitability. However, the interviewees also emphasized that they cannot stop making investments there.

It was emphasized that profitability could be improved in online channels by developing a recommendation engine and promotion workflow, that could increase impulse buying in online channels and ensure that customers had purchased all the necessary accessories in online channels. Retailers were also able to offer a wider range of products online. In addition, it was found that large amounts of assets in brick-and-mortar stores led to large retailers' reluctance to take more of their operations to online channels. Moreover, the brick-and-mortar stores were an important part of the business because consumers were used to buying food there and only a very small part of sales takes place online. On the other hand, the space was limited in brick-and-mortar stores, especially in the grocery segment. Therefore, it was highlighted that retailers could try to move the demand for non-food -products online and in that way tackle the space shortage.

Also, it was seen that the change in consumer behavior happens slowly, and they do not necessarily want changes. Retailers' reluctance to invest in omnichannel marketing without demand combined with the slow change in consumer behavior had led to a slowdown in development, which can already be seen today in Finland. During the interviews, it was considered whether some retailers should invest in more functionalities that are more used in the world to create demand.

4.2 Factors that affect the implementation of an omnichannel strategy

Based on the empirical data, several factors affected the implementation of an omnichannel strategy. First, online, and offline channels will be discussed to explain their roles in an omnichannel strategy. Hossain et al. (2020) have stated that offline and online channels should not be viewed separately because they form

barriers to creating a customer-centric business. Still, they are considered separately in this thesis, due to the empirical data set in which the channels were considered as separate ones. Second, when offline and online channels are integrated an omnichannel experience is created. The customer experience in both distribution and communication channels should be coherent to fully integrate different channels and utilize omnichannel marketing in the company's strategy. Additionally, the role of communication channels and the utilization of data affect the implementation of an omnichannel strategy.

4.2.1 The role of online channels

Today more and more customer journeys start within an online channel. From the customers' point of view, online channels were used across the customer path for low prices, to complete the purchase, and to find information that supports and makes it easier to make the purchase decision. Therefore, retailers have had to make system integrations so that the customer can switch between online and offline channels seamlessly within a single customer journey. It was emphasized that especially mobile channel plays a major role in retailing.

Retailers identified that online stores had the potential for greater growth than brick-and-mortar stores. However, during the interviews, it was stated that it is unknown whether the role of online channels will always remain this essential. Therefore, retailers must follow the change, recognize changes, and make decisions based on them. The different perspectives are presented in Table 10.

Table 10. Summary table of the role of online channels.

<p>The role of online channels.</p>	<ul style="list-style-type: none"> • More and more customer journeys start within an online channel. • Mobile channels play a major role across the retailing. • Online stores have the potential for greater growth. • Online channels are used for low prices, to complete the purchase, and to find information that supports and makes it easier for customers to make the purchase decision. 	<p>R3: "Almost 100% of the time, the customer path starts from browsing the selection in the online channel (--), although elderly people use more offline channels."</p> <p>(--) "We are constantly trying to bring the online store and brick-and-mortar stores closer together, because in the long run, the online store is the driver of growth and there is the potential for bigger growth."</p> <p>R5: "It has been a big change in the last three years, where resources are allocated. Yes, they have been distributed mostly online, because we have previously been such a store-driven in the past. "</p> <p>R6: "You can do things whenever and wherever you want and either carry it through to the end or at least you start the purchase path."</p>
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4.2.2 The role of offline channels

For many years there has been a discussion about what will be the role of brick-and-mortar stores in the future. Based on the interviews, offline channels were viewed as an important part of the omnichannel experience, because they built up the sales of both channels, engaged, and brought an experiential dimension to the overall experience. From the empirical data, six different groups were identified that explain the role of offline channels in an omnichannel experience. The groups are portrayed in Figure 5.

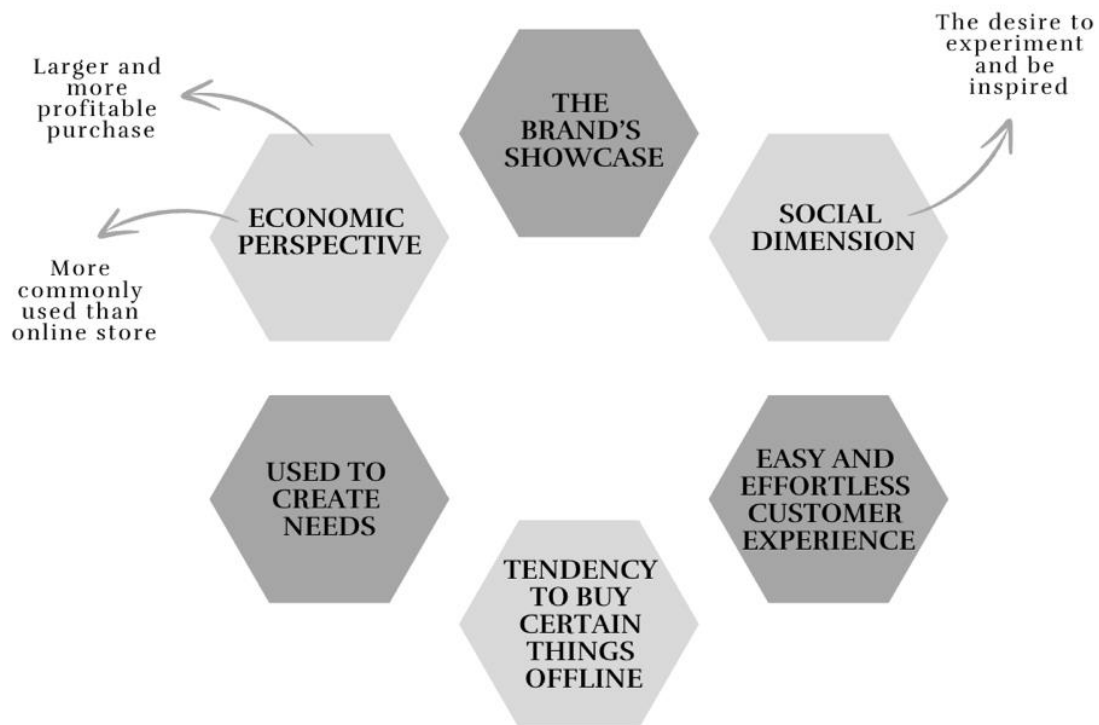


Figure 5. The role of offline channels in an omnichannel strategy.

First, offline channels are the brand's showcases. It reminds customers about the brand and in that way also boosts online sales and emphasizes reliability for the customer.

R1: "For the customer, brand equity acquired in the brick-and-mortar store often means reliability, when the brand is known."

(--) "We see that many only online brands are investing in showrooms because that is how customers can use all the five senses, and in online channels, you can only use one of them. Tesla does not sell cars from their offline stores, but you can just look at them and after that order online."

R3: "We cannot even think of having a chain based on online shopping alone. It strongly requires the presence of a brick-and-mortar store as well. And I have at least thought that if we had a new store in a certain area, the online store would also get a new boost because the brand would be present in a different way to the residents of that area."

R8: "Brands need to find customers so that they can grow and inspire people to buy the brand's products."

Second, the social dimension is a significant part of consumer behavior in brick-and-mortar stores, so consumers want to visit offline stores to meet people and This creates possibilities for the retailer to create experiences in the brick-and-mortar stores, that consumers cannot receive in online channels.

R5: "The customer has logged into our system and collected products in the shopping cart, but still wants to discuss them with someone. He comes to our brick-and-mortar store, the salesperson can search the shopping cart from our sales system and discuss the products with him."

R8: "I believe that digitalization will grow, but I also believe that people want physical encounters. (--) For example, I like to buy from online channels, but I do like to go shopping if I have time. It is a luxury to see products, or it is a social event."

In addition, nowadays consumers value easy and effortless customer experiences, which is why retailers have developed functionalities to brick-and-mortar stores that support their wishes. These functionalities will be discussed in the next subchapter. Moreover, retailers have started to invest in customer service in brick-and-mortar stores so that they can serve customers better. It was stated that salespersons can see the customer's electronic shopping cart in brick-and-mortar stores and help supplement it.

R2: "Consumers find the products and get through the checkouts easily. We have reached them through marketing and then they have a clear reason to come to our store again, whether it is price or the ease or whatever to do business with us." (--) Ease is the number one driver for our customers, whether that is in the brick-and-mortar store through various technical functions, an application, or an online store."

R4: "The fact that we think about things from an omnichannel perspective gives completely new opportunities to help our customers and thus our business. Let's make the customer's everyday life as easy as possible before, during, and after the purchase."

R6: "If you have made a shopping list with our application, the products are arranged in it according to the order of encounter of the store."

Fourth, the interviewees noted that consumers tend to buy certain products in brick-and-mortar stores rather than online stores because they want to see the products before making purchase decisions. This kind of consumer behavior stands out especially in fresh and baked goods, in new products and equipment. Moreover, if the consumer assumes that the product is available in every brick-and-mortar store, the products will not be purchased online.

R2: *"You don't order bake-off products from the online store. Another is that quite a lot of people want to buy fresh products, for example, fruit and vegetables from offline stores, so they can choose them."*

R3: *"The sale of equipment is focused on brick-and-mortar stores, although there is no such a product group that is not sold in the online store."*

R7: *"If the product is available in every brick-and-mortar store, you will not buy it online."*

Fifth, retailers also utilized brick-and-mortar stores to create needs. It was noted that consumers make impulse buys more offline than online, even though there are several examples of how retailers have supported impulse buying in online channels.

R2: *"It is important to get the customer to follow the prices to brick-and-mortar stores to be able to sell the impulse product and the batch and theme products."*

R3: *"Socks are easily bought in the brick-and-mortar stores, and they are well displayed, but there is a lot to be developed in online stores to achieve the same effect online."*

R5: *"Customers often have additional needs in the store that were not taken into account when buying online (–) and our salespersons can help with and ensure that the experience with the new product is good."*

And finally, in the bigger picture offline channels were seen as equally important as e-commerce. However, from a purely sales point of view, brick-and-mortar stores played a more important role, because most of the sales took place in offline channels and purchases were larger and more profitable there. Still, the interviewees emphasized that to succeed retailers had to be present in both channels.

R4: *"We know that the share of online sales in the grocery segment is quite limited, and it will probably continue to be a smaller part. In this sense, the integration of online and offline channels together is even more important."*

R5: *"The average purchase offline is more profitable for us and it is bigger in terms of sales. It is a daily development, and the results are improving all the time, but there is still quite a long way to go to reach the same results online as offline. "*

R7: *"The purchase takes place in a brick-and-mortar store, but the online store is a support function."*

4.2.3 The integration of online and offline channels

During the interviews, it was asked how an omnichannel strategy shows up at different stages of the customer's purchase path to investigate how retailers have integrated online and offline channels. Due to the broadness of the question, they

were asked to distinguish the functionalities before purchase, during purchase, and after purchase.

It was found that retailers integrated the channels through functionalities and brought functionalities to both distribution and communication channels. Still, it can be seen from Table 11 that the functionalities connect the channels, especially in distribution channels. For retailers to be omnichannel, customers have to be able to switch between online and offline channels during the purchase path. This in turn requires among other things integration of channels so that customers can for example see the price and product information also in an online channel. At the operational level, the logistics have to function properly, and stock capacity should be sufficient.

Table 11. Summary table of how online and offline channels can be integrated.

The stage of the purchase	Functionalities in different channels
Before purchase	<ul style="list-style-type: none"> • Product prices and availability can be seen in online channels. • The customer can see the location of the products online. • Recipes in online channels, from which customers can add products directly to the electronic shopping list or cart. • An electronic shopping list, where the products are arranged according to the order of the store.
During purchase	<ul style="list-style-type: none"> • Utilization of old order forms in the online store. • Online booking or purchase, delivery to store or home. • More detailed product information found on the website helps customers' decision-making. • Customers can complement the purchase in the store. • The seller can see the customer's electronic shopping cart in a brick-and-mortar store and help supplement it. • Self-service checkouts. • Self-scanners are available to customers in a brick-and-mortar store. • Payment option in the application that can be utilized in both channels. • The development of functions that support impulse buying in online channels.
After purchase	<ul style="list-style-type: none"> • Benefits based on the purchase history. • Monetary benefits after purchase. • Partner benefits for loyal customers. • Installation services. • Shipment tracking. • Cross-returns. • Receipt data. • "Wrapped" at the turn of the year. • Degree of domesticity of purchased products and nutritional value in mobile application. • The price of the shopping cart compared to the competing store. • Happy-or-not feedback connects both channels. • Customer feedback can be tracked in both channels.

Moreover, it was identified that retailers should give more weight to the total sales of both channels rather than follow the sales of an individual channel and develop both channels because the channels complement each other. The offline channel builds the online channel and works as the brand's showcase (see Table 10; Figure 5). On the other hand, even though the level of sales in an online channel would not be as high as wanted, you cannot ignore that customers expect that they can continue their purchase paths both in online and offline channels. Moreover, succeeding in the competition requires a presence in both channels nowadays.

R5: "The implementation of the strategy requires that we try to discuss as little as possible about store and online sales."

R6: "You have to integrate all channels in a smooth, customer-oriented way."

R8: "The fastest disruptor of omnichannel is that sales, marketing, and different channels argue with each other. In other words, organizational silos must be forgotten."

4.2.4 The role of communication channels

Also, the integration of communication channels affected the implementation of an omnichannel strategy and whether a retailer was fully omnichannel. Regarding the cohesion of communication channels, the responses were scattered and divided into three groups: (1) consistency of communication in different channels, (2) repetition of the same core message in different channels in different ways, and (3) variation of communication. The variation of communication to different target groups was emphasized especially in social media, such as Facebook, Instagram, and TikTok, while in mass media it is not targeted. On the other hand, some challenges were related to communication channels which had to be taken into account when implementing an omnichannel strategy. It was identified that consumers are drowning in different messages, which is why it is hard to arouse their interest. Also, due to algorithms, the customer receives a certain type of content, creating challenges for brands as they need to find and inspire customers. The findings have been presented in Table 12.

Table 12. Summary table of the role of communication channels.

The cohesion of communication.	(1) Communication is fully consistent in different channels, <i>or</i> (2) communication is considered consistent if the core message is the same, <i>or</i>	R6: "Marketing communication can be targeted at different media. Then, of course, there is TV and radio advertising, where it is like shooting with a shotgun and hoping for the best. Then there is advertising in stores, which is targeted at the time of making the purchase." R7: "In principle, the same message should be consistent but in different channels, it should be done in different styles"
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	(3) communication is varied in different channels.	and means. But the heart of the message should be the same in every message.” R8: “For the customer, the message, both visual and the guiding factor, is consistent through the customer path.”
Challenges related to communication.	<ul style="list-style-type: none"> • Consumers are drowning in different messages, and it is difficult to arouse their interest. • Customers are surrounded by a certain type of content, creating challenges for brands as they need to find and inspire customers. 	R5: “We could do a lot more and the reason why it is difficult is because there is a low threshold where the consumer might get annoyed.” R8: “Getting people’s attention right now is extremely difficult.” (-- “Doing things digitally requires a person to search proactively, in other words, the person is already aware of what to look for.”

4.2.5 The utilization of data

Processing customer data and making conclusions from it, affected the implementation of an omnichannel strategy. Retailers used the data from online and offline channels to identify customer needs and wishes from the current moment and utilized the information more efficiently, such as by automating the data usage. Moreover, by collecting customer data, retailers could obtain more accurate data, for example, how long the customer had looked at products and how many products were compared helped to identify the needs of specific customer groups. That in turn could be utilized to strengthen the dialogue with customers during the purchase. The customer data could also be processed for customers’ use. The results can be seen below in Table 13.

Table 13. Summary table of the utilization of data.

Identification of customer needs.	<ul style="list-style-type: none"> • Enables obtaining more accurate data. • Enables better measurability when the customer uses several channels. 	R5: “Omnichannel has the advantage that quite a few things become better measurable when the customer does business in online channels.” (-- “Online, we can see with a precision of a second, how long customers spend time on a page, and how many products they compare.” R8: “Today we can measure everything in online channels and utilize it.”
Processing data for customers’ use.	<ul style="list-style-type: none"> • Dialogue with customers based on data during the purchase. 	R6: “We take data, process it, and make it available for the customer.” R7: “You would be recognized when making a purchase and the products you need would be visible to you in some way.”

Automation of data.	<ul style="list-style-type: none">• Integration and automation of data so that the conclusions drawn from the data are correct.	<p>R4: "We also receive new types of data from the digital platforms used. In this case, understanding what is significant and what is not and where the customer is, is very important."</p> <p>R8: "There are so many sources of information. Especially in marketing, people often say that we look at the results and decide based on them. But it is slow data usage. If you want to use it quickly, you can take ethically sustainable data obtained with permission, and use it automatically in different channels. "</p>
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5 CONCLUSIONS

The topic of this master's thesis "Omnichannel marketing in the retailing landscape" has been analyzed based on two perspectives: (1) what drivers guide retailers to be omnichannel, and (2) which factors affect the implementation of an omnichannel strategy. The conclusions enlighten the current state of omnichannel marketing in the Finnish retail industry from a management's point of view. The final chapter, which is divided into theoretical contributions and managerial implications discusses the main empirical findings and new empirical insight. In theoretical contributions, the findings are discussed based on the research questions and theoretical framework. The managerial implications aim to provide practical guidance for retail businesses.

Neslin (2022) has identified that consumers' decision-making process consists of three stages: (1) information search, (2) purchase, and (3) aftersales support. This master's thesis has brought new perspectives to these stages as different functionalities that connect online and offline channels in those three decision-making stages have been identified. In addition, retailers can utilize the framework to identify in which stage it is in the omnichannel continuum and improve the company's strategy accordingly. For example, if a retailer wishes to integrate channels vertically, it should create links between online and offline channels and different purchase stages.

5.1 Summary of key findings in light of the research questions

Theoretically, this master's thesis has several contributions. These contributions challenge previous results and bring new perspectives to the topic.

RQ1: What drivers guide retailers to be omnichannel?

The results of this master's thesis suggest that (1) increasing consumer demand, (2) competition, (3) supporting, and (4) hindering drivers guide retailers to be omnichannel (see Table 14). Those drivers primarily affect whether a retailer invests in being omnichannel or not.

Increasing consumer demand

First, retailers' effort to increase consumer demand guides retailers to be omnichannel. Omnichannel marketing increases consumer demand, because today consumers expect retailers to offer a seamless customer experience, and their consumption decisions are based on the overall experience. Even though retailers' have to customize their strategies according to resources and assets, as Cai and

Lo (2020) have argued, it is found to be essential to allocate resources to matters that are essential for customers. Hence, retailers should consider customers in all decisions to ease their lives and to engage. Moreover, as consumers are using more online channels and platforms it has benefited the retailers because they can reach a wider customer base and have access to more customer data from the current moment that they can use to engage customers. This finding extended the previous results, because previously it was only found that channel integration improves customer engagement (Cuesta-Valiño et al., 2023), but the finding is a concrete way of how it can be improved.

Table 14. Summary table of key findings related to the first research question.

<i>RQ1: What drivers guide retailers to be omnichannel?</i>		
Key findings from empirical data	Key findings in theory	New empirical insight
<p>Increasing consumer demand:</p> <ul style="list-style-type: none"> • Doing essential things for the customers while using resources sensibly. • Easing customers' lives. • Engaging customers. • Reaching a wider customer base through online and offline channels. 	<ul style="list-style-type: none"> • Retailers have to customize their strategies according to resources and assets (Cai & Lo, 2020). • Channel integration improves customer engagement, satisfaction, and loyalty (Cuesta-Valiño et al., 2023). • Online helps reach more customers (Lyu et al., 2023; Timoumi et al., 2022). 	<ul style="list-style-type: none"> • It is essential to allocate resources to matters that are essential for customers.
<p>Competition:</p> <ul style="list-style-type: none"> • Being omnichannel does not offer a competitive advantage but instead is necessary to cope with the competition. • The strategy can be implemented in different ways and at different levels. 	<ul style="list-style-type: none"> • Omnichannel strategy can be a base for competitive advantage (Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020). 	<ul style="list-style-type: none"> • Retailers who can create better entities do best in competition. • Being omnichannel is essential for each retailer to cope with the competition.
<p>Supporting drivers:</p> <ul style="list-style-type: none"> • Corporate culture. • Automation of operations improves cost efficiency. 	<ul style="list-style-type: none"> • People have to work for the common good instead of self-interest (Neslin, 2022). • Having both online and offline channels improves the overall sales of the retailer 	<ul style="list-style-type: none"> • Know-how also from outside the company because change requires an open mind.

<ul style="list-style-type: none"> • Increased sales, and improved profitability. • Customers cross-use online and offline channels. 	<p>(Cao & Li, 2015; Maier et al., 2023; Timoumi et al., 2022).</p> <ul style="list-style-type: none"> • Buying in multiple channels improves profitability (Neslin, 20229). • Integration of channels creates greater opportunities to cross-sell goods across them (Cao & Li, 2015). • Consumers tend to focus their purchases on one channel (Valentini et al., 2020). 	<ul style="list-style-type: none"> • Rewarding the staff in the brick-and-mortar stores to motivate them. • Automation of operations improves cost efficiency. • Consumers use both channels during the purchase.
<p>Hindering drivers:</p> <ul style="list-style-type: none"> • Financial resources. • IT integrations. • Operational infrastructure. • Consumer behavior changes slowly. 	<ul style="list-style-type: none"> • The firm's capabilities should consist of operations infrastructure, IT structure, corporate culture, design skills, and financial resources, to implement an omnichannel strategy successfully (Neslin, 2022). • Integration quality will predict cross-buying intention and perceived value (Hossain et al., 2020). • Online helps increase sales (Lyu et al., 2023; Timoumi et al., 2022). • Retailers with a strong focus on a specific channel benefit less from cross-channel integration (Cao & Li, 2015). 	<ul style="list-style-type: none"> • The fixed costs of IT systems are high, challenging to obtain the benefits. • User experience influences whether the customer wants to use the company's services. • Slow sales development and low profitability of online stores need to be solved so that omnichannel marketing can reach its full potential. • The role of online channels is smaller in the grocery segment. • The implementation requires companies to be proactive and invest without demand.

Competition

One interesting finding of this study is that nowadays being omnichannel is no longer a competitive advantage, but rather a basic requirement for retailers to stay competitive. The empirical data challenged the previous results, in which it was found that having an omnichannel strategy can give retailers a competitive advantage (Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020). They found that it can be achieved by (1) exploiting the accessibility and wide assortment of the online channel, (2) benefiting personal inspection and immediate delivery in offline channel, and (3) improving the consumer experience in the shopping process through greater digitalization (Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020). Although the three positive effects identified in previous

research were confirmed by empirical data they were not considered as competitive advantages but requirements to cope in the competition.

Supporting drivers

Next, drivers that support the creation of an omnichannel strategy include corporate culture, automation of operations, increased sales, improved profitability, and customers' habit of cross-use online and offline channels. A corporate culture in which people work for the common good instead of self-interest is needed when creating an omnichannel strategy (Neslin, 2022). Based on the results it can be achieved by rewarding the staff to motivate them and to recruit know-how outside the company to create new practices and ways of thinking. Second, automation of operations supports the creation of an omnichannel strategy, because it improves cost efficiency. For example, products can be collected and delivered using automation, customers can service themselves, and advertising can be automated. Moreover, it was found that supporting drivers include increased sales and improved profitability, which is consistent with the extant literature (Cao & Li, 2015; Maier et al., 2023; Neslin, 2022; Timoumi et al., 2022). Furthermore, although the extant literature has found that consumers tend to focus their purchases on one channel (Valentini et al., 2020), the results challenge this view by proposing that consumers cross-use both channels and take advantage of their best aspects during the purchase. Still, not every retailer should aim to fully integrate all used channels but to make the decision based on customer data.

Hindering drivers

Furthermore, some drivers hinder the creation of an omnichannel strategy, which includes financial resources, IT integrations, operational infrastructure, and slowly changing consumer behavior. Previously Neslin (2022) has introduced operations infrastructure, IT structure, and financial resources as capabilities, but based on the analysis process those are treated as hindering factors. He has noted that financial resources are needed to implement an omnichannel strategy, but in this thesis, it was discovered that financial resources are not only needed for investments but also due to the fixed costs of IT systems. The amount of fixed costs is the same for each retailer, regardless of the size, which challenges especially smaller retailers to obtain the benefits of online channels. Second, previously it has been found that integration quality will predict cross-buying intentions (Hossain et al., 2020). The results extended the previous finding as it was specified that usability and user experience are at the core of integration quality because they influence whether customers want to use the company's services. Neslin (2022) has acknowledged the importance of IT infrastructure which requires a powerful information system so that the content is consistent, and the firm knows its customers because they influence customers' perception. The interviewees explained in more detail that with powerful information systems, the data moves between different channels so that for example product and price

information are available in both channels. Moreover, the results indicate the requirements for product data management have risen. Hence, companies can either utilize general solutions or develop their platforms that can be customized based on their needs.

In addition, there are hindering drivers related to operational infrastructure. Large amounts of assets in brick-and-mortar stores reduce the desire to move more operations to online stores. On the other hand, the space is limited in brick-and-mortar stores which in turn reduces possibilities to build the purchase journey around experiences there. In addition, Cao and Li (2015) have pointed out that retailers with a strong focus on a specific channel benefit less from cross-channel integration. This observation is particularly evident in the grocery segment as it was found that the role of online channels in the purchase stage is smaller due to relatively small sales and profitability challenges. So, consumers in the retailer segment are so used to buying certain products offline channels that they are less likely to use e-commerce. As a conclusion, the slow sales development and low profitability of retailers, especially in the grocery segment, but also in the retail segment in general, need to be solved to reach the full potential of omnichannel marketing. Also, if considering only consumers' expectations the development will slow down because the change in consumer behavior happens slowly. Hence, retailers have to also be proactive and invest without demand.

RQ2: Which factors affect the implementation of an omnichannel strategy?

First, how retailers see the roles of online and offline channels has a major effect on the implementation of an omnichannel strategy. In addition, the integration of online and offline channels, the role of communication channels, and the utilization of data affect the implementation of an omnichannel strategy. The key findings from empirical data and new empirical findings to key findings, in theory, have been presented below in Table 15.

The role of online channels

Today, most customer journeys start within an online channel, and especially the role of mobile channels is emphasized across retailing. This finding is supported by Verhoef et al. (2015) who have noted the dominant role of online channels. That is why it can be said that customer demand is moving towards online and mobile channels and why it is also important that retailers invest there. Also, the fact that online stores have the potential for greater growth than brick-and-mortar stores supports why resources should be allocated resources to online channels. Ailawadi and Farris (2017) have found that consumers use online channels for low prices and convenience in search, ordering, and delivery. The findings of this thesis are consistent with the extant literature but emphasize the role of the online channel in search. In addition to using online channels for low prices, they

are used to complete the purchase and to ease the purchase decision by providing information.

Table 15. Summary table of key findings related to the second research question.

RQ2: Which factors affect the implementation of an omnichannel strategy?

Key findings from empirical data	Key findings in theory	New empirical insight
<p>The role of online channels:</p> <ul style="list-style-type: none"> • More and more customer journeys start within an online channel. • Mobile channels play a major role across the retailing. • Online stores have the potential for greater growth than brick-and-mortar stores. • Online channels are used for low prices, to complete the purchase, and to find information that supports and makes it easier for customers to make the purchase decision. 	<ul style="list-style-type: none"> • Online channels have become a dominant channel (Verhoef et al., 2015). • Consumers use online channels for low prices and convenience in search, ordering, and delivery (Ailawadi & Farris, 2017). 	<ul style="list-style-type: none"> • Online channels are used to complete the purchase and to ease the purchase decision by providing information. • The retailers must have a strong presence in the mobile channels, as it is playing a major role in retailing.
<p>The role of offline channels:</p> <ul style="list-style-type: none"> • Offline channels can build up the sales of both channels, engage, serve as a billboard, and bring an experiential dimension to the overall customer experience. • Retailers can utilize brick-and-mortar stores to create needs. 	<ul style="list-style-type: none"> • Offline stores serve as a billboard that improves brand awareness (Wang & Goldfarb, 2017). • Offline channel builds online sales (Ailawadi & Farris, 2017). 	<ul style="list-style-type: none"> • Offline channels are used to create needs and they bring an experiential dimension to the overall customer experience.
<p>The integration of online and offline channels:</p> <ul style="list-style-type: none"> • Functionalities connect online and offline channels at different phases of the customer path. • Unifying goals. • The integration of distribution channels is considered more important 	<ul style="list-style-type: none"> • Greater cross-channel integration improves customer value, loyalty, satisfaction, and trust, and has a positive effect on a retailer's overall performance, sales, and profitability (Cao & Li, 2015; Neslin, 2022; Timoumi et al., 2022). 	<ul style="list-style-type: none"> • Integration of channels can be improved through functionalities that create connections between channels. • Retailers should give more weight to the total sales of both channels rather than

than the integration of communication channels.	<ul style="list-style-type: none"> • Retailers are closing of-line stores because they are not performing well enough by offline metrics (Ailawadi & Farris, 2017). 	following the sales of an individual channel.
<p>The role of communication channels:</p> <ul style="list-style-type: none"> • The cohesion of communication. • Consumers are drowning in different messages. • Customers are surrounded by a certain type of content. 	<ul style="list-style-type: none"> • A marketer can interact with consumers through channels of communication – owned, paid, and earned (Ailawadi & Farris, 2017). • The online channels can be used in communication to draw consumers' attention to categories or brands that they do not usually buy (Melis, Campo, Lamey & Breugelmans, 2016). 	<ul style="list-style-type: none"> • Consumers are drowning in different messages, and hence it is difficult to arouse their interest. • Due to algorithms, the customer receives a certain type of content, creating challenges for brands to find and inspire customers. • Communication is perceived as consistent if the core message is the same.
<p>The utilization of data:</p> <ul style="list-style-type: none"> • Identification of customer needs. • Processing data for customers' use. • Automation of data. 	<ul style="list-style-type: none"> • Challenges related to customer privacy and consumer behavior have prevented omnichannel marketing from achieving its full potential (Cui et al., 2021). 	<ul style="list-style-type: none"> • The growth of online channels has benefited retailers because they can collect more customer data that can be used to engage customers.

The role of offline channel

Regarding the offline channels, they build up the sales of both channels, engage, serve as a billboard, and bring an experiential dimension to the overall customer experience. This finding is consistent with the extant literature in which it is acknowledged that offline stores improve brand awareness (Wang & Goldfarb, 2017) and build online sales (Ailawadi & Farris, 2017). However, the findings of this thesis bring a new perspective by highlighting that offline channels engage through experiences, and by noting that offline channels are used to create need.

The integration of online and offline channels

Retailers have integrated online and offline channels by unifying goals and developing functionalities that enable consumers to seamlessly switch between channels during a purchase path. The functionalities that connect the channels include, for example, seeing product and price information in online channels, utilization of old order forms, shipment, and customer feedback tracking, as well

as seeing the nutritional values of the purchased products (see Table 11). For consumers these are perks, but for retailers, these have become requirements that are not easy to achieve and require resources but are still needed to cope with the competition.

Moreover, the results brought a new perspective by emphasizing that retailers should give more weight to the total sales of both channels rather than following the sales of an individual channel. Also, scientific research supports the fact that both, online and offline, channels have an important role. It has been found that greater cross-channel integration improves customer value, loyalty, satisfaction, and trust, and has a positive effect on a retailer's overall performance, sales, and profitability (Cao & Li, 2015; Neslin, 2022; Timoumi et al., 2022). In addition, offline channel builds online sales (Ailawadi & Farris, 2017), and online help reach more customers and increase sales (Lyu et al., 2023; Timoumi et al., 2022). If a retailer focuses on the smaller picture instead of the bigger one and monitors sales of an individual store or a channel, the development can go in the wrong direction. The bigger picture here is that retailers want to improve customer experience by fostering possibilities to switch between online and offline channels and leverage the positive effects of each channel. So, for example, if a brick-and-mortar store is closed because it is not performing well enough, as Ailawadi and Farris (2017) have suggested, retailers ignore the fact that offline channels enhance brand awareness and engage customers through experiences. Hence, the research supports the important role of both channels in a customer path and proposes that retailers should give more weight to the total sales of both channels and concentrate their resources on integrating operations.

The role of communication channels

Next, moving toward the role of communication channels, Melis et al. (2016) have found that online channels can be used in communication to draw consumers' attention to categories or brands that they do not usually buy. This view is challenged by the finding that due to algorithms customers receive a certain type of content, creating challenges for brands to find and inspire customers. Additionally, consumers are drowning in different messages, which is why it is difficult to arouse their interest.

Furthermore, in the extant literature, it is stated that integrated customer experience via communication channels is part of omnichannel marketing (e.g., Ailawadi & Farris, 2017; Cui et al., 2021). Still, based on the extant literature it has remained unclear whether the communication should be fully consistent in all channels to be omnichannel, or whether the communication is considered coherent if the core message is the same across different channels. Based on the empirical data, communication is perceived as consistent if the core message is the same.

Additionally, it was found that the integration of communication channels was considered less important than the integration of distribution channels. The greater attention that distribution channels gained in this thesis is consistent with

the observation made from the extant literature, which is more focused on the integration of distribution channels than communication channels, even though the concept under study would be omnichannel marketing. For example, Ailawadi and Farris (2017), Shankar and Kushwaha (2021), and Verhoef et al. (2015) have discussed omnichannel marketing in their studies but only focused on distribution channels. In addition, Nguyen et al. (2022) have concluded that the extant literature has focused increasingly on topics related to distribution channels.

The utilization of data

Lastly, this master's thesis has brought new perspectives by drawing attention to how the utilization of data influences the implementation of an omnichannel strategy. The growth of online channels has broadened retailers' possibilities to collect more accurate customer data from the current moment that can be used to engage customers. At its best the data usage is automated, it helps identify customer needs and it can be processed for customers' use. However, Cui et al. (2021) have pointed out that omnichannel marketing has not reached its full potential due to challenges related to data privacy, and customer behavior. For example, as consumers move along the purchase path back and forth, it is difficult to measure the impact of each touchpoint on consumer behavior (Cui et al., 2021).

5.1.1 Theoretical contributions

Overall, this master's thesis makes three significant contributions to the theory. These contributions emphasize (1) retailers urge to increase consumer demand, (2) the need to follow the total sales of online channels rather than the sales of an individual channel, and (3) the importance of utilizing omnichannel marketing to cope with the competition.

First, today consumers have the power to demand how they want to be served, and they make purchase decisions based on the overall experience. What they expect is for example a possibility to switch between online and offline channels during a purchase journey. That is why an urge to increase consumer demand drives retailers to be omnichannel. Also, the existing literature has acknowledged the positive effects of omnichannel marketing. The authors have found that channel integration has a positive effect, for example, on overall sales, engagement, and loyalty (e.g., Cuesta-Valiño et al., 2023; Neslin, 2022; Timoumi et al., 2022). Therefore, even though retailers' have to customize their strategies according to resources and assets, as Cai and Lo (2020) have argued, it is essential to allocate resources to matters that are essential for customers. Relating to customers, retailers should consider customers in all decisions to ease their lives and to engage. However, if considering only consumers' expectations the development will slow down because the change in consumer behavior happens slowly. That is why retailers should also be proactive and invest without demand.

Second, although the extant literature has found that consumers tend to focus their purchases on one channel (Valentini et al., 2020), the results challenge

this view by proposing that consumers cross-use both channels and take advantage of their best aspects during the purchase. Therefore, retailers must give more weight to the total sales of both channels rather than following the sales of an individual channel. If a retailer focuses on the smaller picture instead of the bigger one and monitors sales of an individual store or a channel, the development can go in the wrong direction. For example, Ailawadi and Farris (2017) have found that retailers are closing brick-and-mortar stores because they are not performing well enough by offline metrics, which do not take into consideration that both online and offline channels have an important role in an omnichannel experience. After all, offline channels engage through experiences and improve brand awareness, and online channel is used to find information and to ease buying. Additionally, retailers can improve customer experience by fostering possibilities to switch between online and offline channels and leverage the positive effects of each channel.

Third, previously it has been found that an omnichannel strategy can be a base of a competitive advantage (Cuesta-Valiño et al., 2023; Gauri et al., 2021; Jocevski, 2020). However, it was identified that today being omnichannel is a requirement for retailers to stay competitive. That is because consumers make their consumption decisions based on the overall experience, and offering a seamless customer experience via online and offline channels is one way to do so. A seamless customer experience can be created with functionalities that connect the channels. The functionalities to connect the channels include for example seeing product and price information in online channels, utilization of old order forms, shipment, and customer feedback tracking, as well as seeing the nutritional values of the purchased products (see Table 11). For consumers these are perks, but for retailers, these have become requirements that are not easy to achieve and require resources but are still needed to cope with the competition. It can be seen that this is one of the external forces that Timoumi et al. (2022) have identified as one of the challenges of omnichannel marketing. So, in conclusion, utilizing omnichannel marketing has become a requirement and the result of the process in which the aim is to serve customers as well as possible, rather than a competitive advantage. That in turn answers Timoumi et al. (2022) future research avenue by stating that an omnichannel strategy is worth utilizing.

5.2 Managerial implications

The findings of this study offer numerous implications for managers in the field of retailing. First, I recommend that managers should be proactive regarding implementing an omnichannel strategy and invest without demand. That is because the slow change in consumer behavior makes it difficult to develop an omnichannel strategy based on their needs, ultimately slowing down retail development. Even though there would not be demand for the service it does not mean that it does not offer additional value for customers and eventually create demand. Also,

the fact that the competition in retailing is fierce and consumers make consumption decisions based on their overall experience proves the importance of investing without demand. Moreover, investments create managers' opportunities to automate their operations, achieve cost benefits, and achieve a temporary competitive advantage.

Second, the results imply that nowadays it is not enough that retailers reach customers through single guiding factors, such as cheapness, because nowadays it is all about the whole customer experience. Similarly, it is not enough that distribution and sales channels are integrated both in online and offline channels. Instead, nowadays retailers who can create better customer experiences that meet the customers' expectations win. As Bell et al. (2014, p. 52) have stated: "the best sellers will win the omnichannel revolution by working across the permeable boundaries of information and fulfillment, offering the right combination of experiences for the customers that demand them."

Third, customers cross-use online and offline channels during a single customer path. Hence, I recommend focusing on providing functionalities that ease their purchase decisions and providing information that enables the purchase to be continued in another channel. Eventually, investing in the functionalities that improve customers' overall experience makes it possible to guide customers' consumption choices between different retailers. Moreover, due to the cross-usage of different channels, retailers should improve possibilities to identify customers at the beginning of the purchase path to collect data across the purchase path to engage customers. For example, if a salesperson can see the customer's electronic shopping cart in a brick-and-mortar store, the salesperson can help the customer supplement it.

Fourth, it is unnecessary to consider whether online and offline channels complement each other because, in the end, they complement each other if more than overall sales are considered. That is because consumers take advantage of the best aspects of online and offline channels: online channels are used for convenience in search and offline channel creates consumer experiences that engage them and enhance brand awareness. Therefore, both channels have an important role in the omnichannel experience even if the final sale does not take place in the channel. In addition, there are differences between companies in which channels they include sales. The ambiguities arise especially when both online and offline channels are used when the product is sold and picked up. That in turn can take development in the wrong direction if the sales of online and offline channels and individual stores are being monitored too closely.

Furthermore, I recommend that managers should focus on rewarding staff to motivate them and to recruit know-how outside the company because change requires an open mind. They should also strive to increase the use of technology and improve the automation of communication and distribution channels because it improves cost efficiency. Moreover, with automation retailers can personalize marketing and communication to smaller target groups and in that way attract more potential customers with content that fits their expectations.

5.3 Evaluation of study

This chapter seeks to assess the trustworthiness of this study. It is assessed by evaluating credibility, transferability, dependability, and confirmability (Eriksson & Kovalainen, 2008).

Credibility measures how truthful the empirical data is (Lincoln & Guba, 1985). Before starting the data collection, an extensive literature review was conducted to get familiar with the topic and last years' developments. In addition, the literature review mainly included only high-quality academic journals to ensure that the data used would be considered credible. To enhance the credibility, the interviews included data gathering from seven different retailers across the retail segment in Finland. The retailers operate in in fast-moving consumer goods or specialty goods trade, including clothing, sports, and electronics, so they broadly represent the retail segment. In addition, the interviews were anonymized to enhance confidentiality, as well as the interviews were conducted as semi-structured interviews so that the questions could be adjusted if some would be uncomfortable answering a question in its current form.

Eriksson and Kovalainen (2008) have noted that logical links between observations and identified categories, and the possibility to repeat the interpretations or agree with the claim of the study also assess the credibility of a study. The categories have been identified based on a six-phase coding process based on Braun and Clarke (2006) which includes going through the empirical data set and reviewing the themes several times. At the end of the coding process, the themes broadly represented the empirical data and there were logical links between observations and identified categories. Additionally, the results were supported by the earlier findings, which is why it should be possible to repeat the interpretations or agree with the claim of the study.

Transferability refers to the extent to which the results can be applied in other contexts (Lincoln & Guba, 1985) and whether some similarities can be found in other research contexts (Eriksson & Kovalainen, 2008). As the interviewees worked in different companies across the retail industry, it should be possible to apply the results in similar contexts. However, further investigation would be needed in different contexts to validate this assumption.

Dependability is concerned with offering logical, traceable, and documented information about the process of research (Eriksson & Kovalainen, 2008). The interviews followed pre-determined questions and sub-questions, and the interviews were conducted by Teams to record the interviews. Moreover, the analysis process included several phases to ensure that coding would be logical, and that the context of the responses would be preserved. Also, the analysis process has been documented as transparently as possible to enhance the dependability. Due to this extensive coding process and systematic gathering of the data, it can be supposed that the results can be repeated in similar contexts.

Finally, confirmability refers to linking findings and interpretations to the data so that they can be easily understood (Eriksson & Kovalainen, 2008) and

supported by empirical data without bias or subjective preferences (Lincoln & Guba, 1985). First, during the interviews additional what and why questions were asked so that the interviewees could explain their replies. Moreover, the findings of this thesis have been presented in informative tables and there are direct quotes so that it is transparent from which responses the interpretations are made.

5.4 Limitations of the study and suggestions for further research

Even though this master's thesis has made several theoretical and managerial contributions, some limitations need to be taken into account. First, it must be stated that the reproducibility of interpretations can be affected by the study context and time. Since the context of this thesis is limited to Finland, it is possible that the results cannot be fully utilized in different contexts at different times. Also, the purpose of this thesis was to investigate the concept of omnichannel marketing in the Finnish retail business, so all in all the goal was not to produce generalizable data. If the results were to be generalized, a larger sample would be needed. Second, the research findings explain omnichannel marketing at the current moment in Finland. As retailing is constantly evolving, and the pace of technological developments is quite fast in today's world, the results should be empirically validated in a longitudinal study.

Third, it was noted in the literature review that communication channels have gained less attention in the field of omnichannel marketing. This was also identified from the empirical data, as some managers emphasized that they do not want to integrate communication channels because they want to create personalized content. Therefore, it should be followed in future studies in a longitudinal study, whether the integration of communication channels continues to receive less attention among retailers. Moreover, it would be interesting to monitor whether the integration of communication channels has a positive effect on the company's results. Also, the extant literature has not taken a stand on whether communication must be completely consistent between different channels, or whether it is enough that the core message is the same, to be considered as a company that utilizes omnichannel marketing. This study has concluded that communication is perceived as consistent if the core message is the same. Still, this is something that should be future studied to take the stand in a wider context.

Neslin (2022) has asked if the total sales gain is greater if channels are integrated. Based on the results of this master's thesis, they are, but they should be further studied within a quantitative research method that investigates retailers' total performance over a longer period. In addition, it would be interesting to find what kind of short- and long-term impacts there are when utilizing omnichannel marketing from the retailers' point of view. Moreover, exploring the use of AI and the possibilities in omnichannel marketing would be interesting. It

could be possible that AI makes offline purchases even more attractive if retailers can improve the experiential dimension of offline channels within functionalities that utilize AI. From the consumer's point of view, it should be validated if they cross-use online and offline channels and take advantage of their best aspects during the purchase, as was recognized in this master's thesis.

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APPENDIX 1 Interview questions

The semi-structured interviews were conducted in Finnish, which is why this is a translation.

Before explaining how omnichannel marketing has been defined in this master's thesis the interviewees were asked to tell their perceptions of what omnichannel means.

THEME 1: THE IMPLEMENTATION OF OMNICHANNEL STRATEGY

1. How do you implement an omnichannel strategy?
2. What is the aim of the omnichannel strategy?

Sub-questions:

3. Why omnichannel and not multichannel?
4. How does omnichannel strategy show up in your marketing and communication?
5. Does a seamless customer experience serve all customer groups?

THEME 2: OMNICHANNEL STRATEGY AT DIFFERENT PHASES OF THE PURCHASE PATH

6. How does an omnichannel strategy appear at different stages of the customer's purchase path?

Sub-question:

7. How does the omnichannel strategy appear before the purchase?
8. How does the omnichannel strategy appear in the purchase stage?
9. How does the omnichannel strategy appear after the purchase?
10. Describe the role of brick-and-mortar stores.
11. Is it essential that the selection of products is the same in all channels?
12. How do you support the creation of a seamless customer experience online and offline?
13. What things contribute to the creation of a seamless omnichannel experience for customers?
14. How can impulse buying be promoted online?

THEME 3: COMPANY'S CAPABILITIES

15. What does the implementation of an omnichannel strategy require?

Sub-question:

16. Which factors promote the implementation of an omnichannel strategy from the company's point of view?

17. How do you think companies should develop features and/or capabilities to make the customer experience more seamless?
18. How do you stand out from the competition?

THEME 4: FACTORS THAT FOSTER AND HINDER IMPLEMENTATION OF AN OMNICHANNEL STRATEGY

19. What are the opportunities of omnichannel?
20. What are the challenges of omnichannel?
21. From the company's point of view, which factors can hinder the implementation of an omnichannel strategy?

Sub-questions:

22. In which situation should a company not strive to be omnichannel?

THEME 5: BENEFITS

23. What kind of benefits does the implementation of an omnichannel strategy bring to the company?
24. What kind of value does omnichannel create for customers?

Sub-questions:

25. What kind of value do online, and offline channels offer customers?
26. Why should a company invest in omnichannel?