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Factors Affecting Consumer Intention to Use Omnichannel Retailing

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"FACTORS AFFECTING CONSUMER INTENTION TO USE OMNICHANNEL RETAILING"

An Empirical Study in a Developing Economy

Rationale for the Topic

This research topic was selected for several compelling reasons rooted in both academic and practical considerations:

- Omnichannel retailing is among the most transformative developments in modern retail, enabling consumers to seamlessly move across physical stores, websites, mobile apps, and social media channels during a single shopping journey.
- Despite its growing importance, consumer-related research on omnichannel retailing — particularly regarding usage intention — remains limited, confined, and sporadic, especially in developing economy contexts (Mishra et al., 2021; Juaneda-Ayensa et al., 2016).
- The American Marketing Association identified omnichannel retailing as a top research priority for 2018–2021, reflecting the global urgency of understanding consumer behaviour in this context.
- Pakistan, as a developing economy with a rapidly growing young population of digital natives, represents a critically underrepresented context in omnichannel research, with most studies conducted in the USA and China.
- The study integrates three well-established theoretical frameworks — the Big Five Factors Model (BFM), Innovation Diffusion Theory (IDT), and the Motivational Model (MM) — offering a novel and comprehensive theoretical contribution.

Chapter 1: Introduction

This chapter presents a comprehensive overview of the research. It covers the background of omnichannel retailing, its growing significance for economic development, and its impact on retail businesses worldwide. The chapter also identifies significant challenges that retailers face in the era of advanced technology and highlights research gaps in the existing consumer behaviour literature on omnichannel retailing. Research questions, objectives, and the significance of the present study are also discussed.

1.1 Background of Omnichannel Retailing

Retail businesses have been experiencing dramatic changes in recent decades. Customers' interaction with retailers has broadened with the rapid development of digital technology, and they are no longer satisfied with traditional brick-and-mortar retailers alone, as digital technologies have made them more experienced and demanding (Immonen & Sintonen, 2015). Advancements in technology have forced retailers to shift their businesses from brick-and-mortar stores to multiple channels — first multi-channel, then cross-channel, and now it is the age of omnichannel retailing (Beck & Rygl, 2015; Herhausen et al., 2015).

Omnichannel retailing promises a seamless shopping experience to customers through full channel integration (Barbosa & Casais, 2022; Verhoef et al., 2015). The term 'omnichannel retailing' was first introduced in academic literature by Rigby (2011), who defined it as "an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping." Levy & Weitz (2012) further described Omni-retailing as a seamless shopping experience obtained through a coordinated multi-channel offering provided by retailers. The word 'Omni' derives from the Latin word 'Omnis', meaning 'universal or all', reflecting the fully integrated nature of this approach (Lazaris et al., 2014).

Omnichannel retailing is an evolutionary step beyond multi-channel retailing, vanishing the boundaries between physical stores and online retailers. It allows customers to move freely across different channels — including physical stores, websites, mobile applications, social media, and catalogues — during a single shopping journey, with the help of advanced technologies (Verhoef et al., 2015). Unlike multi-channel retailing, where channels operate separately, omnichannel integrates all available channels to provide a holistic and unified customer experience (Mishra et al., 2021).

The business impact of omnichannel retailing has been remarkable. Organisations adopting omnichannel strategies have consistently gained competitive advantages: Hummel, a Danish sports apparel brand, increased total sales from \$170 million to \$240 million over three years by adopting omnichannel (Hansen & Sia, 2015). Research by Sopadjieva et al. (2017) with 46,000 customers found that 73% were already omnichannel customers. Collins (2019) reported that omnichannel businesses achieve an 18.96% higher customer engagement rate, a 250% higher purchase frequency, and 90% higher customer retention than single-channel businesses.

Modern technology has vanished the boundaries between physical and online retailing by merging the advantages gained in physical stores (e.g., touch-and-feel information) with online content, forcing retailers to compete in a new omnichannel environment (Brynjolfsson et al., 2013). Omnichannel retailing integrates all customer touchpoints and provides a holistic, unified customer experience (Mishra et al., 2021). The seamless integration of online and offline channels creates a sense of continuity among customers, which is a fundamental determinant of customer loyalty, satisfaction, and positive word of mouth (Barbosa & Casais, 2022).

Despite its growing importance and commercial success, the concept of omnichannel retailing has not been well conceptualised in the academic literature, particularly regarding consumer

behaviour (Verhoef et al., 2015; Shi et al., 2020). Consumer-related research in the omnichannel domain remains limited, confined, and sporadic (Juaneda-Ayensa et al., 2016; Shen et al., 2018; Mishra et al., 2021). This research gap motivated the present study to investigate the antecedents of consumers' usage intention of omnichannel retailing.

1.2 Overview of Theoretical Frameworks

To investigate consumers' usage intention of omnichannel retailing, the present study integrates three theoretical frameworks:

Big Five Factors Model (BFM): Proposed by McCrae & Costa (1987), the BFM identifies five core personality dimensions — Conscientiousness, Agreeableness, Extraversion, Openness to Experience, and Emotional Stability — as fundamental descriptors of human personality that influence behaviour, including technology adoption and purchase intention.

Innovation Diffusion Theory (IDT): Developed by Rogers (1983), IDT identifies five characteristics of innovations — Relative Advantage, Compatibility, Complexity, Trialability, and Visibility — that determine the rate and extent of their adoption. It has been widely applied in technology acceptance research.

Motivational Model (MM): Proposed by Davis, Bagozzi, & Warshaw (1992), the MM distinguishes between intrinsic motivation (enjoyment, pleasure, fun, excitement) and extrinsic motivation (financial rewards, recognition, usefulness) as key psychological drivers of technology use behaviour.

Task 3: Formulation of the Research Problem

Context and Background of the Problem

Omnichannel retailing has been gaining the attention of both practitioners and academicians over the last decade (Hajdas et al., 2022). By recognising the phenomenon's importance, the American Marketing Association placed omnichannel on its research priority list during 2018–2021. Omnichannel retailing provides a seamless shopping experience to customers who use multiple means to connect with their preferred companies and expect a consistent, integrated service experience across all channels (Cook, 2014; Gallino & Moreno, 2014).

Since consumers enjoy a seamless shopping experience via omnichannel retailing by using multiple means of interaction, they can shuffle between channels seamlessly according to their situation, time, and product category choices. The expectation that interaction with companies will continue without interruption while all relevant information across channels remains preserved (Piotrowicz & Cuthbertson, 2014) has become a great challenge for retailers. Thus, designing a genuinely omnichannel strategy is a complex and expensive task.

Core Research Problem

Although literature shows that companies adopting the omnichannel approach have gained leading market positions, many organisations remain reluctant to adopt this newly emerging retailing approach due to the high financial risk involved (Silva et al., 2018; Kim, 2021). This financial risk creates a critical question for retail managers: whether to shift their businesses to omnichannel or not. The success of any business strategy highly depends on consumer perception and usage intention (Shen et al., 2018), yet this crucial consumer dimension remains poorly understood in the omnichannel context.

The existing literature reveals three specific problem areas that this study addresses:

Problem 1: Limited Research on Consumer Usage Intention in the Omnichannel Context

Despite a significant increase in omnichannel publications since 2013, consumer-related research remains limited and sporadic (Juaneda-Ayensa et al., 2016; Mishra et al., 2021). Specifically, consumers' usage intention — a critical precursor to actual adoption behaviour — has received insufficient scholarly attention. Mishra et al. (2021) confirmed through a systematic literature review (2011–2020) that consumer usage intention in the omnichannel context remains a poorly studied dimension of consumer behaviour. This study directly addresses this gap.

Problem 2: Personality Traits as Antecedents of Omnichannel Usage Intention

Personality traits significantly affect consumers' behaviour (Iqbal et al., 2021; Devaraj et al., 2008), and the Big Five personality traits have been widely used across technology adoption studies. However, limited comprehensive studies have investigated the impact of personality traits on consumers' usage intention of omnichannel retailing (Mishra et al., 2021; S. H. Chen & Lee, 2008). Consumers' decision-making regarding accepting or rejecting an innovation is significantly related to psychological factors such as personality traits (Mustafa et al., 2022; Varela et al., 2012), making their investigation in the omnichannel context both important and timely.

Problem 3: Incomplete Application of Innovation Diffusion Theory in Omnichannel

While IDT has been applied in the omnichannel context, prior applications have been incomplete. For example, Silva et al. (2018) investigated consumers' intentions in adopting omnichannel services using IDT but applied only three of its five factors (compatibility, usefulness, and ease of use), ignoring trialability and observability. This partial application leaves a significant theoretical gap, as the comprehensive effect of all IDT factors in the omnichannel context remains uninvestigated.

Problem 4: Developing Economy Context Underrepresented

According to Mishra et al. (2021), most omnichannel research has been conducted in developed countries — the USA leads, followed by China — with very little research conducted in developing and underdeveloped economies such as Pakistan, Bangladesh, and India. This geographical gap in knowledge limits the generalisability of existing findings and leaves practitioners in developing economies without evidence-based guidance for omnichannel strategy implementation.

Problem Statement Summary

The central research problem of this study is:

Despite the growing commercial significance of omnichannel retailing, the factors that drive or inhibit consumers' intention to use omnichannel retailing remain poorly understood — particularly regarding the roles of personality traits, technological characteristics, and motivational factors — and this knowledge gap is especially pronounced in developing economy contexts such as Pakistan where empirical evidence is scarce.

Task 4: Research Significance

The current study makes significant contributions to the existing stream of literature on omnichannel retailing and to practitioners across multiple dimensions:

4.1 Theoretical Significance

- First study to integrate and validate three theoretical models simultaneously — the Big Five Factors Model (BFM), Innovation Diffusion Theory (IDT), and the Motivational Model (MM) — in the omnichannel retailing context. This represents a novel theoretical combination that advances the conceptual understanding of consumer behaviour in omnichannel environments.
- Expands the application of IDT in the omnichannel context by applying all five factors (compatibility, complexity, relative advantage, trialability, and visibility), unlike previous studies that used only partial IDT constructs (Silva et al., 2018).
- Advances understanding of the mediating role of motivation between personality traits, technological traits, and consumers' usage intention — providing a new theoretical lens for studying the psychological pathways of omnichannel adoption.
- Provides empirical evidence from a developing economy (Pakistan), addressing a significant geographical gap in the omnichannel literature and enabling cross-cultural comparison of findings.
- Strengthens the Motivational Model proposed by Davis et al. (1992) by demonstrating its applicability in the emerging domain of omnichannel retailing — a context not previously explored using this framework.
- Clarifies the role of perceived behavioural control in the omnichannel context, showing that it acts as a direct predictor rather than a moderator — a finding that refines theoretical understanding of TPB in technology-based retail contexts.

4.2 Practical / Managerial Significance

- Provides retailers and managers in developing economies with evidence-based guidance on how to effectively implement and promote omnichannel retailing strategies to gain a competitive edge in the market.
- Identifies motivational factors (both intrinsic and extrinsic) as the most critical levers for driving consumer adoption of omnichannel retailing, enabling managers to design targeted motivational programmes (loyalty rewards, gamification, enjoyment-enhancing features).
- Reveals that personality-based consumer segmentation is a valuable strategy: consumers with different personality profiles respond differently to omnichannel stimuli. Managers should tailor channel design, communication, and service features to align with dominant personality traits in their target market.
- Shows that complexity is a significant barrier to omnichannel adoption — retailers must invest in user-friendly, intuitive interfaces and provide adequate consumer education and technical support to reduce perceived complexity.
- Confirms that compatibility, trialability, and visibility are significant technological drivers — retailers should emphasise these features in their marketing communications and

invest in free trial programmes and peer-influence campaigns (e.g., social media demonstrations).

- Highlights that improving consumers' perceived behavioural control (skills, resources, and self-efficacy) directly increases adoption intention, suggesting that digital literacy programmes and consumer empowerment initiatives can accelerate omnichannel uptake.

4.3 Significance for Consumers

- Provides consumers with a better understanding of the omnichannel retailing phenomenon and its advantages over traditional single-channel or multi-channel approaches.
- Highlights the factors that should be considered when evaluating whether to adopt omnichannel services, helping consumers make more informed and confident shopping decisions.
- The variables of IDT (relative advantage, compatibility, visibility, complexity, and trialability) provide a practical framework for consumers to compare the omnichannel approach with existing retailing alternatives before committing to adoption.

4.4 Significance for Policy and Society

- Results from this study support policy recommendations for governments and industry bodies in developing economies seeking to promote digital retail transformation and accelerate e-commerce infrastructure investment.
- By demonstrating the potential of Pakistan's retail industry for omnichannel transformation — with 65.7% of respondents preferring both online and offline shopping modes — the study provides evidence to support national digital economy agendas.
- Understanding which consumer segments are most and least likely to adopt omnichannel retailing enables more targeted public and private sector programmes for digital inclusion and retail modernisation.

Task 5: References List

The following references are cited in this study, presented in APA format:

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