

The Key Role of Customer Touch Points Towards Optimising Customer Experience in Retail Stores

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ABSTRACT

STUDY BACKGROUND

The innovative design of customer touchpoints along the customer journey yields unexpected benefits. Contemporarily, customers tend to interact with firms through multiple touchpoints, which increases the complexity of providing a positive customer experience. Hence, measuring each customer touchpoint along the customer journey is essential to ensure a positive experience.

PURPOSE

The current study aims to investigate the critical customer touchpoints that significantly influence customer experience in retail stores in Klang Valley, Malaysia.

DESIGN/ METHODOLOGY/ APPROACH

This study was conducted in Klang Valley, Malaysia, which is a cosmopolitan city. The study sample, which was calculated through a formula, encompassed individuals who visited the Klang Valley malls. A total of 500 questionnaires were distributed through the convenience sampling technique, which resulted in 269 valid responses for SPSS and PLS-SEM analyses.

FINDINGS

The findings revealed that employee-to-customer interaction touchpoints significantly impacted the retail customer experience. Simultaneously, the atmosphere, brand, customer-to-customer interaction, communication, and technology touchpoints significantly enriched the customer experience. Nevertheless, customer social responsibility and process touchpoints might not contribute to the customer experience.

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PRACTICAL IMPLICATIONS

This study recommended mall retailers focus on critical customer touchpoints to develop credible brand images, personalised services, appealing promotions, effective loyalty programmes, and store environmental cues to provide a positive in-store sensory experience.

ORIGINALITY/ VALUE

This study applied cognitive appraisal theory (CAT) to understand customer experience in the retail setting. The findings contributed to the existing knowledge corpus by highlighting the critical dimensions of customer touchpoints defining customer experiences.

KEYWORDS

Brand Touchpoint, Customer Touchpoint, Customer Experience, Cognitive Appraisal, Atmospheric Touchpoint

1. INTRODUCTION

The term ‘smart’ is a trend word in the contemporary business landscape, which describes the socio-economic and technological developments stimulated by rapid advancements in information and communication and connected technologies (Demirkan & Spohrer, 2014). Recently, retailers have deployed several smart technologies, such as interactive displays, smart shopping carts, radio frequency identification systems (RFIDs), shopping assistant systems, near-field communication (NFC) systems, and augment-reality interactive technology (ARIT) in stores worldwide. The implementation of such smart technologies benefits retailers by offering enhanced customer experience, improved firm management, cost reductions, and increased business profitability (Renko & Druzijanic, 2014). Smart retail technologies could also improve the customer retail experience by providing superior and personalised retail services (Hoffman & Novak, 2015).

The retailing industry is reconfigured due to rapid digitalisation, which transforms existing transaction channels and redefines the nature and types of exchanges, actors, offerings, and retail settings (Hagberg et al., 2016). The integration of digital technologies into the consumer shopping experience produces alternative means of value creation and value capture (Hänninen et al., 2018). For example, shoppers could select various digital touchpoints supporting personal purchase processes based on personal purchase preferences, which would simultaneously allow the collection of information according to personal needs and preferences (Blom et al., 2017). Consumers employ complementary channels as an integral part of shopping experiences to optimise the corresponding benefits and costs of different channels. Hence, significant pressure is exerted on retailers to redesign respective channels according to consumers’ purchase processes (Tyrväinen et al., 2020).

Retailers generally acknowledge customer experience as a vital component in the contemporary marketplace to sustain a competitive advantage. Customers possess more decision-making power and different means nowadays (Stein & Ramaseshan, 2016), which emphasises the importance of customer experiences for retailers. Moreover, customer experience (CX) is one of the pivotal factors in maintaining the competitive advantage of a company among competitors. Customers exert a higher influence on corporations through websites or social networks, in which information about the products, services, competitors, and prices of an enterprise are available. Consumers would also seek unique and memorable experiences that accompany the delivery of systems, products, and services (Bascur & Rusu, 2020).

Although technologies were incorporated by retailers as a touchpoint to enrich the customer experience, the COVID-19 pandemic resulted in significant alterations in customer and purchasing behaviour, such as increased digital adoption, when customers shifted to digital platforms for respective shopping needs. Therefore, retailers are required to provide a cohesive customer experience, as

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