Abstract

“Services in multichannel retailing – their value from a customer perspective”

Area
Service

Keywords
Service, logistics, multichannel, omnichannel, multichannel retailing, click & collect, home delivery

Study/project
Project, part of the “Retail Management Projects” module

Starting point/project assignment/objective
Click & collect and other innovative services are now an integral part of multichannel retailing. Retailers largely do not know the extent to which customers are aware of these services and what they involve and the benefits which customers associate with the services, but this is absolutely essential knowledge for efficient use of scarce resources.

From this came the assignment to classify defined omnichannel retailing services through a reliable Kano survey in order to come up with dependable recommended actions, especially for marketing and resource allocation, based on the findings.

Procedure
Firstly, the services which had to be examined more closely were identified. Awareness of these and what they actually involved was then surveyed with the aid of the Kano method in order to show how these were valued from a customer perspective. In total, 241 people were surveyed.
Results/findings

The results were somewhat surprising. Customer perception and evaluation of the services differ from the services pushed by retailers. Home delivery was the best-known service with a level of awareness of just 57% across all genders and ages, followed by in-store return with 37%. Only a third of those surveyed were aware of click & collect. The level of awareness of the other services was just above 30%.

Although the surveyed persons said they were aware of the services, what the services actually involved was often misinterpreted. For some services, this was the case for all of the people surveyed within a specific age or gender cohort. Misinterpretation of what a service actually involves can have an effect on the present and future competitiveness of the retailer offering the service, as the older generation currently has the purchasing power and the youngest generation, Generation Z, is displaying changed consumer behaviour.

The Kano method was used to find out how customers value the services. Customers were indifferent to the value of the services, apart from a few exceptions relating to specific age or gender cohorts, which means that customers were neutral with regard to the services and did not associate any benefits with them. Accordingly, Marketing must develop and implement a powerful communication concept aimed at specific age groups or genders that would meet the objective of increasing how the services are valued.

The results of the study differ from the common retail approach of pushing click & collect, both with respect to the level of awareness and understanding of what the service involves. Only by combining the study findings with the known degrees of use of the services will retailers have a way to offer efficient services with customer benefits.

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