Voluntary Migration to the Online Channel in the Service Purchase Process - How Close We Are?

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Abstract

The purpose of this article is to analyze the behavior of service buyers in a multi-channel environment. The main research question is: Whether and which consumers generations tend to voluntarily migrate to the e-channel in the process of purchasing services. Author used data from survey based on CAPI method that was conducted in 2015 on a group of 1103 respondents, the research sample was determined using a quota-random method. In the analysis service purchase process was divided into four stages: pre-purchase stage, service purchase stage, post-purchase stage, resignation from service. Two marketing channels were taken into consideration – online channel and offline channel. Quantitative data was used in MANOVA analysis. In order to answer the research question, author considered the potential differences in intention to use online channel and offline channel at each of four stages in service buying process and in case of each of three consumer generations (BB, X, Y). Depending on the nature of this difference it was be possible to identify one of three situations in reference to customers' (service buyers') multichannel behaviour: a) difference in the intention to use both marketing channels is not statistically significant, so both offline channel and online channel is equally important for customers in service buying process – it refers to only Y generation in two stages of the purchase process (pre-purchase and post purchase stage); b) intention to use offline channel is significantly higher than the intention to use online channel – there is no real customers migration to the online channel and offline channel is still preferred in the purchase process – it refers to BB and X generation in the whole service purchase process and Y generation at the purchase and resignation stage. c) intention to use online channel is significantly higher than the intention to use offline channel, these are the research signs of voluntary migration to the online channel – such a situation was in no case. It turned out that only the Y generation channel shows a real interest in the buying process online, what is important only at the pre-purchase and post-purchase. The key stages (purchase and resignation) will still be implemented in the offline channel. Both older generations have strong preferences for the offline channel regardless of the stage in service buying process. Such research findings can be significant for better understanding of service buyers behaviour in multichannel environment, especially in the context of e-channel migration strategy. Research findings provide the basis for a significant implication for service supplies. Still a lot of effort should be put in convincing service buyers about the benefits of online channel. Each stage in service buying process demands separated attention in order to reduce perceived risk. The results of the study show the current consumer behavior in multichannel environment. It is valuable to point out rather poor intention of Polish consumers to voluntarily migrate to the online channel when purchasing services. The results of the study indicate the non-obviousness and lack of automatic transition to the online channel, even among the younger generation of consumers.

Keywords: multichanneling; online channel migration; online service; e-channel migration; service purchase process.

JEL classification: M31

1. Introduction

One of the crucial characteristics of the contemporary retail environment is consumers' demand of entertaining and effective shopping experiences (Savastano et al., 2019). According to researchers the provision of seamless experience constitutes the essence of omnichanneling (Berman and Thelen, 2018; Verhoef et al., 2015; Yrjölä et al., 2018) that has the vital impact on the behavioral intention as well as on the competitive advantage (Huré et al., 2017; Stein and Ramaseshan, 2016). It was rightly stressed by Pookulangara and Natesan (2010, p. 99), *the quality of the consumer experience is the new differentiator in the retail world*. When exploring the definition of customer experience, please indicate the importance of customer freedom to

choose his/her preferred point of contact with the brand at any time. According to Lemon and Verhoef (2016), customer experience should be seen as perceived outcome of the customer interacting with the firm during the service process. The author notices the relationship between the meaning of consumer experience and voluntary migration to the online channel (which is the subject of this article). The voluntary use of the online channel is a proof that the online channel meets the consumers expectations. It can therefore be assumed that the voluntary choice of an online channel indicates the possibilities of the e-channel in generating positive experiences for the user. The fact is that it is now fully justified to think more in terms of omnichannels than multi-channel (Cao, 2015). However, to understand the role of the online channel in shaping the omni-channel (holistic) customer experience, it is important to identify the consumers' tendency to choose the online channel while the brick and mortar store is also available.

The aim of this study is to identify the research signs of voluntary migration to the online channel. Specifically, this paper investigates whether this migration to e-channel strategy truly exist in reference to different generations of customers (Baby boomers [Hereafter BB.], X, Y). The remainder of this paper is organized as follows. Following a review of the extant literature relating to consumer behaviour in multichannel environment, a research sample as well as a general research approach is proposed. Survey data is analysed using MANOVA. Finally, author presents her results and discuss research implications of presented findings.

2. Theoretical background
2.1. Challenges of multichanneling

Shopping via multiple channels is a rapidly growing market phenomenon (Beck and Rygl, 2015) that generates new challenges for multichannel retailers. A myriad of opportunities through which consumers can realize their purchase process makes that achieving customer satisfaction becomes even more difficult. As it is stated in Neslin and Shankar (2009, p. 75), ideally retailer could simply provide the set of potential marketing channels with the goal of making a self-selection into the appropriate channel by customer. Researchers asked a crucial question about customers "right-channeling" (Neslin and Shankar, 2009) and the next one - can right-channeling be achieved through incentives and self-selection rather than strong-armed methods. Right channeling means making sure that right customer use the right channels (Blattberg et al., 2008). One of the vital problem is the free-riding behaviour that refers to customers who gather information from online channel of one company, although they purchase from the offline channel of another company (Chou et al., 2016). According to Verhoef et al. (2007), ROPO effect is the most popular channel switching behavior. Such cross-channel switching behavior has a negative impact on online stores' profits and generates a vital challenge for multichannel service suppliers.

2.2. Customer migration phenomenon

Ansari et al. (2008) emphasized that channel migration affects firm profit due to its influence on cost and revenue. Whereas Ackermann and von Wangenheim (2014, p. 262) noted that channel migration affects customer relationship breadth and depth. Trampe et al. (2014) distinguished between voluntary and forced customer e-channel migration strategies. The first variant is based on the consumer's freedom to choose a marketing channel – both online and offline channel is available. Whereas forced e-channel migration refers to the process of moving customers from one channel to the e-channel by forcing them to expected behavior (Trampe et al., 2014). The desired effect of this strategy is the channel switching and efficiency improvements while the undesirable effect is customer migration to another retailer. As it is stated in Li et al. (2017), multichannel shopping behavior also depends on the channels offered

by competitors. According to Neslin and Shankar (2009), forcing customers to use certain channels may turn them off because it steers them to use channels that are contrary to their preferences. Researchers pay attention to some additional negative effects of forcing customers to use online channel – frustration and emotional discomfort among customers (customer reactance) that can create customer dissatisfaction and subsequently disloyalty (Chea and Luo 2008). For these reasons, Li et al. (2017) recommend caution in redirecting consumers from an offline channel they know to a new online channel. They point to the justification for the gradual migration to the e-channel.

According to researchers, two groups of factors identified in the push-/pull-paradigm of human migration movements can be used to encourage consumers to use target channel. This concept was taken from the theory of human migration and urban expansion (cf. Jedwab et al., 2017). 'Push and pull' theory that was first proposed by Lee in 1966, encompassing economic, environmental, social and political factors pushing out from the individual homeland and attracting him/her towards the destination country (Castelli (2017). Push-pull theory can be also used in the area of entrepreneurship. According to Kirkwood (2009), entrepreneurial motivations are often defined as fitting into "push" or "pull" categories. According to this theory, the first group, push factors, consists of factors motivating consumers to move away from their place of origin (in a multichannel environment these are factors encouraging customers to resign from the origin channel). The second group, pull factors, consists of features of distant places that increase their attractiveness (in a multichannel environment these are factors that increase attractiveness of target (online) channel). Bansal et al. (2005) noted the importance of the mooring variables – personal and social factors that can both anchor the consumer in his/her current location, and facilitate his/her transition to the new channel. These authors adopted the push–pull–mooring paradigm from the human migration literature to explain consumers' switching behavior. According to Chiu et al. (2011), the mooring effect, or within-firm lock-in, has a negative influence on above mentioned cross-channel free-riding intentions. Some researchers payed attention to multichannel self-efficacy, which indicates the ability and confidence of consumers to employ multiple channels. If customers believe that they will not cope with purchase process in online environment, they will not engage in the online behavior, even if they are aware of the advantage of online shopping. In effect, it persuades these customers to use the offline channels (Chiu et al., 2011). Chang et al (2017) noted in their research on m-commerce that push and pull effects have direct impacts on switching intention, with the exception of the perceived cost of the search. M-shopping self-efficacy as one of the mooring effects has a varying degree of moderating effect on the information search behavior, perceived value, mobile store attractiveness and switch intention. As it is stated by Bansal et al. (2005), mooring variables can be strong due to high switching costs and this can be a reason for customer remaining with the original service provider even if push and pull factors are strong as well.

The concept of customer migration understood as the dynamic process of using different marketing channels before making a purchase is related to the theory of planned behavior (TPB) (Pookulangara and Natesan, 2010) which is the development of the theory of reasoned action (TRA). The theoretical basis for further analysis of the online channel acceptance made by customers was given by the Davis's technology acceptance model as well as the Rogers' model of innovation diffusion. Thomas and Sullivan (2005) paid attention to so called nonstationarity, that is the potential change over time in the consumer's channel choice probabilities. According to Valentini et al. (2011) there is an explanation why newly acquired customers may react differently to retailers' channel choice suggestion than more experienced customers. Researchers identified a "deliberative" mind-set – when a new customer is in that mind-set he/she is open to retailers' suggestions about which channel to use, while the customer

learns more about the channels options, he or she becomes less sensitive to all external suggestions.

3. Methodology

The research sample was collected using quota-random method. The quotas referred to the characteristics such as: age, gender, place of residence (a provincial town, a city/town other than a provincial one, a village). The structure of the sample was maintained at the regional level. The number of respondents in the sample was proportional to the number of inhabitants of each of the 16 voivodships in Poland.

CAPI (Computer Assisted Personal Interview) method with a standardized questionnaire was used to collect data. The study was conducted in September-November of 2015. The sample encompassed 1103 respondents, detailed characteristics of the study sample are presented in Table 1 [Another fragment of extensive research carried out under the same scientific grant was presented in the article: Lipowski and Bondos (2016).].

Table 1. Characteristics of the study sample

Characteristics		Number of respondents	Percentage of sample
Gender	Female	565	51.2
	Male	538	48.8
Generation	Baby boomers (1946-1964)	357	32.4
	X (1965-1980)	390	35.4
	Y (1981-1996)	356	32.3
Employment status	Full-time employed	608	55.1
	Part-time employed	82	7.4
	Self-employed	74	6.7
	Unemployed	123	11.2
	Retired	185	16.8
	Other	51	2.8
Number of people in the household	1	108	9.8
	2	329	29.8
	3	323	29.3
	4	245	22.2
	5 or more	98	8.8

Source: Own study.

The main research question is: Whether and which consumer generations tend to voluntarily migrate to the e-channel in the service purchase process. In order to find the answer to this research question MANOVA was used. Items defining the intention to use a particular marketing channel (IU) was adapted from: Roschk et al., (2013): IU1: *There is a good chance that I will use the online (offline) channel during after-sales service*; IU2: *Most likely I will use*

the online (offline) channel t during after-sales service; IU3: *I intend to use the online (offline) channel in the future in order to after-sales service.*

4. Research results

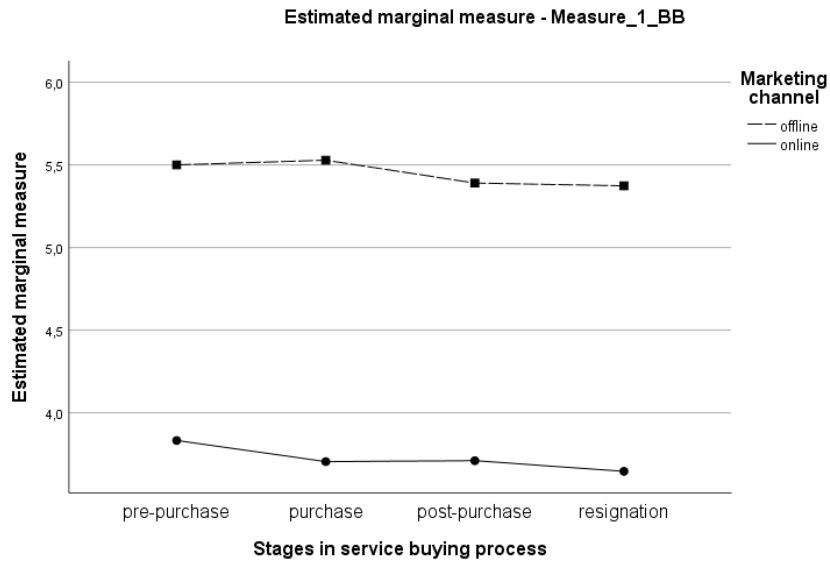In analysis three consumer generations were taken into consideration – BB (figure 1), X (figure 2) and Y (figure 3).

Figure 1. Intention to use offline and online channel in four-stages service buying process – BB generation
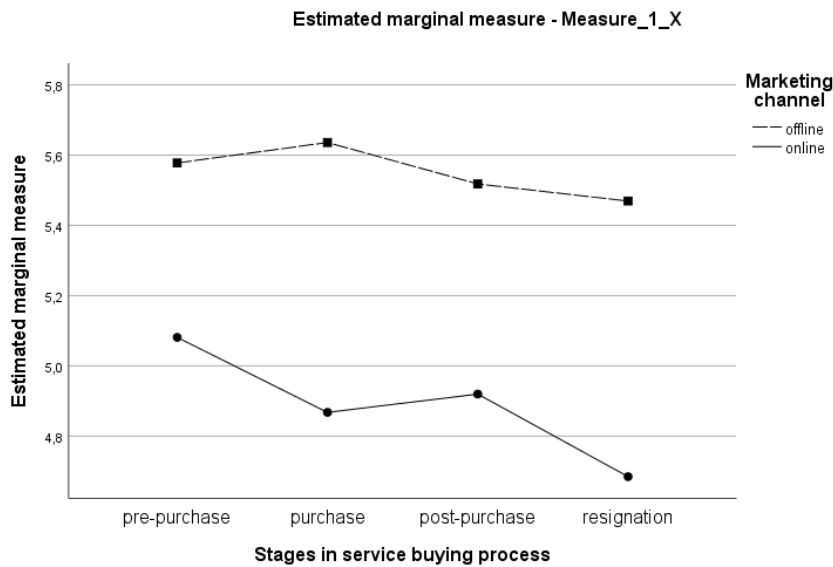Source: Own study.

Figure 2. Intention to use offline and online channel in four-stages service buying process – X generation
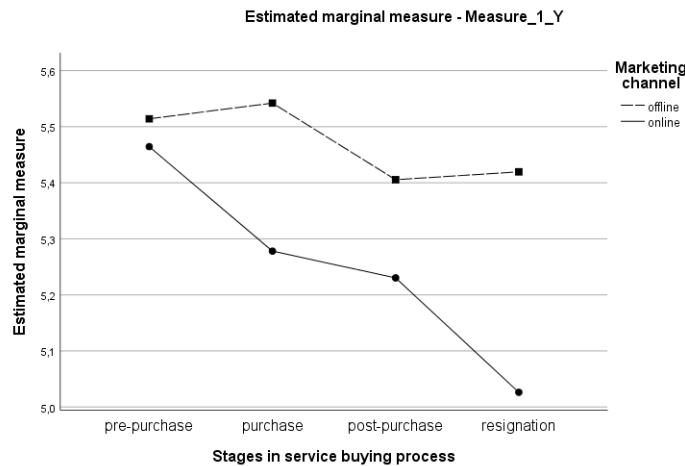Source: Own study.

Figure 3. Intention to use offline and online channel in four-stages service buying process – Y generation
Source: Own study.

Table 2 is a necessary complement to the data presented in the figures above. Based on the data from the table 2, it can be seen that only in the case of Y generation, there are visible signs of the real interest in the online channel that is comparable to the offline channel. Pairwise comparisons based on estimated marginal means pointed the lack of differences only in case of pre-purchase stage and post-purchase stage in service buying process.

Table 2. Pairwise comparisons

Measure: Measure_1								
							95% Confidence Interval for Difference[a]	
Generations	Stages in service buying process	(I) Offline_ online	(J) Offline_ online	Mean Differen ces (I-J)	Std. Error	Sig.[a]	Lower Bound	Upper Bound
BB (1946-1964)	Pre-purchase	1	2	1.668[*]	.086	.000	1.499	1.836
		2	1	-1.668[*]	.086	.000	-1.836	-1.499
	Purchase	1	2	1.824[*]	.094	.000	1.640	2.007
		2	1	-1.824[*]	.094	.000	-2.007	-1.640
	Post-purchase	1	2	1.680[*]	.089	.000	1.504	1.855
		2	1	-1.680[*]	.089	.000	-1.855	-1.504
	Resignation	1	2	1.727[*]	.090	.000	1.552	1.903
		2	1	-1.727[*]	.090	.000	-1.903	-1.552
X (1965-1980)	Pre-purchase	1	2	.497[*]	.082	.000	.336	.658
		2	1	-.497[*]	.082	.000	-.658	-.336
	Purchase	1	2	.768[*]	.090	.000	.593	.944
		2	1	-.768[*]	.090	.000	-.944	-.593
	Post-purchase	1	2	.598[*]	.086	.000	.430	.766
		2	1	-.598[*]	.086	.000	-.766	-.430
	Resignation	1	2	.785[*]	.086	.000	.617	.953
		2	1	-.785[*]	.086	.000	-.953	-.617
Y (1981-1996)	Pre-purchase	1	2	.050	.086	.563	-.119	.218
		2	1	-.050	.086	.563	-.218	.119
	Purchase	1	2	.264[*]	.094	.005	.080	.448
		2	1	-.264[*]	.094	.005	-.448	-.080
	Post-purchase	1	2	.175	.090	.051	-.001	.351
		2	1	-.175	.090	.051	-.351	.001
	Resignation	1	2	.393[*]	.090	.000	.217	.569
		2	1	-.393[*]	.090	.000	-.569	-.217

Based on estimated marginal means
*. The mean difference is significant at the .05 level.
a. Adjustment for multiple comparisons: Bonferroni.
Source: Own study.

5. Discussion
5.1. Key findings and implications

Marketing channels are an extremely important element of customer management strategy (Gensler et al., 2012). The Internet has become a mainstream purchase channel (Li et al., 2017), however among Polish customers there is no sign of an authentic e-channel customer migration. Depending on the nature of the difference between intention to use offline channel and online channel it was possible to identify one of the three situations in reference to customers' (service buyers') multichannel behaviour:

a) difference in the intention to use both marketing channels is not statistically significant, so both offline channel and online channel is equally important for customers in service buying process – it refers only to Y generation in two stages of the service purchase process (pre-purchase and post purchase stage);

b) intention to use offline channel is significantly higher than the intention to use online channel – there is no real customers migration to the online channel and the offline channel is still preferred in the purchase process – it refers to BB and X generation in the whole service purchase process and the Y generation at the purchase stage and resignation stage.

c) intention to use online channel is significantly higher than the intention to use offline channel, these are the research signs of the voluntary migration to the online channel – such a situation was in no case.

It turned out that only the Y generation shows a real interest in the online buying process, what is important only at the pre-purchase and post-purchase stage. The key stages (purchase and resignation) will still be implemented in the offline channel. Both older generations have strong preferences for the offline channel regardless of the stage in service buying process. Such research findings can be significant for better understanding of service buyers behaviour in multichannel environment, especially in the context of e-channel migration strategy.

To conclude, in case of both older consumer generations (BB and X), the difference between intention to use online channel and offline channel in service buying process is statistically significant. Furthermore, even in case of Y generation, the stage in service buying process also makes a difference in the context of e-channel voluntary migration. On this basis, it should be noted that Polish consumers are not yet interested in voluntary migration to the e-channel in the service purchase process. There is still a strong preference for the offline channel. Only at the stage of seeking information and after-sales support, young consumers show the intention to use the online channel on a par with the offline channel. Therefore, referring to the question contained in the title of the article - Polish consumers are still far from voluntary migration to the e-channel.

This provides the basis for a significant implication for service supplies. Still a lot of effort should be put in the process of convincing service buyers about the benefits of online channel. Each stage in service buying process demands separated attention in order to reduce the perceived risk. One can suppose that Y generation is the most prepared for such argumentation. Researchers pay attention to their (Y generation's) high positive perception of online channel media richness and its impact on the intention to use this channel during purchasing service (Lipowski and Bondos, 2018). The younger generation, the greater the perceived media richness of the e-channel noticed by them. This may partly explain the higher interest in realization the first and third stage of service purchase process in the online environment. Service suppliers should aim to reinforce perceived media richness as well to eliminate potential perceived risk and improve trust to service in online channel. What is more,

also perceived easy to use the target channel (online channel) demands service suppliers' attention. There is no doubt that the indicated goals pose a significant challenge for service providers. However, according to the study, the existing activities appear to be inadequate in terms of voluntary migration to the e-channel.

5.2. Limitations and suggestions for future research

Like all studies, this one is not without its limitations. The first one refers to research sample, that consists of only three customers generations without the Z generation. The second limitation is connected with the research approach. This paper opens up interesting possibilities for future research. First, it is recommended to verify the presented results on other research groups. Currently, it seems fully justified to include in the study the youngest generation active on the market - the Z generation. One can suppose that the tendency towards an online channel that has only been signaled in the case of the generation Y will be confirmed in relation to the younger consumers. Second, the results of the study can be verified on a group of consumers who as a society are more technologically advanced. Another research suggestion is different method of statistical analysis that can be helpful in exploring the issue of e-channel customer migration. Finally, a deeper understanding of switching costs in reference to new channel offered by the actual service supplier is also recommended (cf. Pick, 2014).

Acknowledgments

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