

Products moving along channels, consumers cross channels

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Despite the changes that have occurred over the years, marketing mix variables have always managed to adapt while as supporting elements of value creation value for customers. One of the biggest adaptations of the marketing mix is provided by the advent of new technologies that are increasingly redefining the boundaries of marketing as previously known. The American Marketing Association defines the distribution (or marketing) channel as *'the path travelled by a product from the manufacturer – through any middlemen – to the user. A channel includes all the activities involved in transferring the ownership of goods from the point of production to the point of consumption'*. Channels are the sum of routes or paths by which a company delivers products, services or information to recipients (Mehta et al., 2002).

If these definitions are still current, it is necessary to understand how they can be used in new retail settings, as transformed by the new technologies. Today, there is no single distribution channel, as technological advancements have driven the proliferation of possible channels for selling products and communicating with consumers (Lewis et al., 2014; Seck & Philippe, 2013; Zhang et al., 2010). In addition to physical stores many companies operate, for example, websites, mobile apps and social media presences (Piotrowicz & Cuthbertson, 2014). These changes influence business models and – more importantly – consumer behaviours and demands (Mirsch et al. 2016; Verhoef et al., 2015).

The concept of consumer behaviour is the other important focal point of these changes: consumers have a willingness to use new and different channels to have information about products, prices and places to shop. According to Aubrey and Judge (2012), consumers use more than one channel to complete a purchase process. It seems that consumers tend to

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switch among channels to satisfy their needs. Indeed, since 2002 Wind and Mahajan defined the consumer as a ‘*cyber consumer*’ for their response and attitude toward new technologies and their application on channels. They wrote that ‘*today we are entering the age of the centaur. Consumers act across multiple channels. They combine timeless human needs and behaviours with new online activities. They are like the centaur of Greek mythology – half human and half horse – running with the rapid feet of new technology, yet carrying the same ancient and unpredictable human heart. This consumer is a combination of traditional and cyber, rational and emotional, wired and physical*’ (Wind & Mahajan, 2002, p. 65). According to these authors, already in 2002 there was a convergence among channels thanks to the role of technology. So, they specified the most important impact of digital technologies on distribution channels: the centaur consumer organises the way that leads to the purchase independently on the channel or rather, continually crosses boundaries between the channels. This is the innovation caused by the advent of new technologies: products need a channel distribution permanently organised, while consumers can move and take advantage of the proliferation of channels (Pantano & Viassone, 2015). Because of that, the relevance of this phenomenon is not only actionable but, above all, strategic. The evolution of technology and ongoing digitalisation have rendered consumers’ interchangeable and seamless use of channels possible. Therefore, the lines between different channels are increasingly blurred (Brynjolfsson et al., 2013). Particularly in retailing, this trend implies significant change. Physical stores offer the possibility to touch products with immediate satisfaction, at the same time, online channels can lure with more information, price comparisons and user-generated content such as ratings and reviews (Aubrey & Judge, 2012). It is usual to find the integration between offline and online stores usually when instore sales are influenced by the digital at some point in the shopping journey. Recent data (Deloitte, 2015) signals that during a shopping journey, consumers are connected for 100 per cent of the time, merging the boundaries between offline and online contexts. This new scenario changes the paradigm of customer experience as theorized by Howard and Sheth in 1969, where the buying process starts from the customer’s need recognition, the information search, the alternative evaluation, the purchase and finally, the evaluation of the purchased product. Now scholars and practitioners employ the term ‘*customer purchase journey*’ to indicate the customer experience as a multidimensional construct focusing on a customer’s cognitive, emotional, behavioural, sensorial and social responses to a firm’s offering during the customer’s entire purchase journey (Lemon & Verhoef, 2016). So, the customer experience is a customer’s journey with a firm over time during the purchase cycle across multiple touchpoints,

configuring a dynamic process. A touchpoint represents any point of contact between the consumer and the company and is not necessarily marked by interaction. According to Verhoef et al. (2015, p. 175) *'touchpoints are an episode of direct or indirect contact with a brand or firm'* and they could be divided into four categories: brand-owned, partner-owned, customer-owned and social or external (Lemon & Verhoef, 2016).

Therefore, touchpoints have the important purpose of connecting consumers and firms, especially in the context of a multichannel environment where consumers tend to use increasingly more channels within their customer journey (Neslin et al., 2006).

The result is the statement of multichannel management as *'the set of activities involved in selling merchandise or services to consumers through more than one channel'* (Zhang et al., 2010, p. 2). The company offers multiple channels but they are not interconnected, it treats each channel separately, where the focus is on each channel and there is no exchange of data between channels (Beck & Rygl, 2015; Verhoef et al., 2015). The higher level of interconnection between channels is represented by the crosschannel strategy as a partial integration of several channels where it is possible for a consumer to switch through certain channels (Beck & Rygl, 2015).

The real impact is given to shifting from a multichannel to an omnichannel strategy, the most integrated approach, offering several channels and touchpoints (Verhoef et al., 2015). The barriers between all channels and touchpoints vanish completely and consumers can move freely among all contact points (Piotrowicz & Cuthbertson, 2014; Verhoef et al., 2015). This freedom advantage allows consumers to benefit from every channel, but encourages firms to reinforce their channel management, the process by which a company analyses, plans, organises and controls their channels (Mehta et al., 2002). Verhoef et al. (2015) define omnichannel management as *'the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimised'* (p. 176). So the channels adopted need to be handled concurrently to optimise the consumer experience. At the same time, the access to more than one channel permits data integration: companies can integrate consumer data from all channels and have the ability to analyse and take advantage of the big data generated (Brynjolfsson et al., 2013). Some questions remain unanswered regarding: how can a company realize a satisfying omnichannel strategy? how can the omnichannel performance be measured? how should companies be organised to support satisfying omnichannel strategy?. Nevertheless, research should analyse how companies can overcome the obstacles to a complete channel integration process for improving (a) the customer

experience and (b) the total performance. From the consumer behaviour perspective, research should analyse shopping behaviour across channels in a multichannel environment. We have to find answers to the following questions: how the buying process model is altered through the use of multiple and interconnected channels? which models and theories could be applied to understand the customer journey within the omnichannel context? How companies could control the loyalty of their customers (if it is possible to manage it)?

Between the firms' and the consumers' perspectives there is an intermediate level, represented by the touchpoints, where the contact point between consumer and company is created: what are these point of contact? Is it possible to classify them? How should they evolve with the improvement of digital technologies?

The change due to the implementation of new technologies and the development of new distribution channels still leaves many unsatisfied research questions. The certainties on which it is based – marketing over the years – seem to be renewed to stay abreast with the times. If in the past the consumer could be fully managed and analysed, now the companies should adapt themselves to meet the needs of an increasingly mobile consumer, ready to move the shopping experience through different channels. For that matter, a new scenario is emerging: on the product side, the uniqueness of the distribution channel is still necessary, but on the consumer side the omnichannel environment promotes a mobile consumer with unpredictable behaviour.

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