Navigating the Customer Journey: Examining Promotional Inconsistency Across Offline and Online Channels

ABSTRACT

Managing customer experiences (CX) across multiple channels and touchpoints has become a strategic priority to achieve competitive advantages in today's technology-intensive landscape. Business leaders emphasize the importance of delivering a relevant and reliable CX, with 93% considering it critical to overall business performance. Similarly, 86% of consumers are willing to pay more for an improved customer experience. Apple, Toyota, Walmart and IKEA are prominent examples of companies that invest heavily to enhance CX along the customer journey. Optimizing CX, however, remains challenging given the increasing intricacies of customer interactions within omnichannel environments.

In an effort to support effective CX management, vast research emphasizes the importance of making customer journeys as consistent, effortlessness, and predictable as possible to enroll customers into a *smooth loyalty* loop. In practice though, many firms today offer customer journeys that intentionally feature inconsistency. Some retailers, for instance, offer consistent promotions across offline and online channels, whereas others differentiate their promotions to not only tailor their marketing strategies to specific target audiences, but also to encourage customers to embark on a journey that is less cost intensive. Anecdotal evidence shows that promotional inconsistency across online and offline channels is prevalent, occasionally exceeding 27%. This contrasts with customers' expectations, whose majority (61%) anticipates consistent promotions across online and offline channels. Despite this observation, researchers have yet to question whether and when firms should engage in a customer journey model that features inconsistent (promotional) cues.

Building upon fairness theory, this multi-experiment paper first investigates consumers' experiential responses to consistent and inconsistent promotions across online and offline channels. Particularly, it examines the extent to which an online-exclusive promotion is considered as a fair practice compared with an equivalent offline-exclusive promotion or with a consistent multichannel promotion. Second, this research delves into consumers' cognitive and affective processes concerning such practices and uncovers the reasons why consumers may perceive offline-exclusive promotions differently than online-exclusive promotions. Third,

this paper addresses the conditions under which or how an inconsistent promotional strategy can be effectively introduced across online and offline channels without hurting CX. Specifically, the asymmetry in consumers' fairness judgments regarding promotional strategies should be attenuated when firms engage in transparency and explicitly communicate about the motives behind the inconsistent cues across online and offline channels. With these insights, retailers proposing journeys that intentionally feature inconsistency can tailor their approaches to enhance consumers' fairness perceptions.

Keywords: Customer experience management, Customer journey design, Omnichannel retailing, Promotional (in)consistency, Consumers' fairness perceptions.

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