

The Effect of Innovation in Customer Experience: A Study to Redefining Customer Experience in Indian Retail Apparel Industry

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Abstract

Purpose: Retailers looking to reinforce customer experience in today's digital world by creating customer centric signature shopping experience. This approach requires a complete strategy that uses evolving technologies in order to create personalized and memorable shopping experience for customer. Innovation in customers experience is the key for retailers to get success and sustain in market. Due to technology advancement and ease of use many retailers are open to realize that the most workable and sustainable way of differentiation is "innovative customer experience" which is genuinely memorable, unique and different. To be different and memorable in this age of digitalization customer experience must be fun-loving (entertainment) original and unique (surprise the customer), personalized (know the customer) and helpful (easy to use for customer). This paper inspect the innovative customer experience in digital world from a customer perspective. The aim of this research is to gain and address the better understanding of consumer behaviour towards innovative shopping experience in offline and online retail especially in Indian retail apparels industry. In particular, research will explore the influence level of shoppers to do shopping in terms of innovation or innovative way to keep engaging customers in different retail channels as like offline (Brick and Mortar) and online retail in apparels industry.

Design/Methodology/Approach: A quantitative survey approach will be use to address the objective behind the research. The purposed sample size to address the research will be approximately 300 people across India. To conduct this research two different retail channels will consider i.e. offline (Brick and Mortar retail stores) and online (e-commerce stores) retail. Online shopping and offline (in-store) shopping experience will consider two different independent experience so that it will be easy for respondents to keep focus on them easily.

The objective of the survey (questionnaire's first part) will be to measure the motivation and perception of respondents about their respective last shopping experience in online and offline retail stores. In order to measure last shopping experience of respondents five point Likert scale will use from total disagree (ranging from 1) to total agree (to 5).

Other part of questionnaire will include the demographic concern such as age, gender, education, income, profession etc. The target audience for this research will be men and women having age bracket from 15 to 55 years old with shopping experience in online (e-commerce stores) and offline (brick and mortar store) or both who are familiar and involved in the procedure of exploring and buying product in both channels.

Findings: Findings will show the importance of innovation in customer experience. It will also demonstrate the customer's attitude, preference and way to do shop. Customer experience is the key to sustain in market. At

present time and in future as well customers are/will not only look for the quality product in terms of its performance at reasonable price but also look of some innovative way to engage with brand and product which give them memorable shopping experience at less interval time period along with easiness to explore the things which leads to signature shopping experience. In addition research will also demonstrate key variables that influence customers to do shop in any retail channel.

Originality: This research will identify the key variables that influence the customers experience through innovation in digital age and demonstrate the things that needs to adopt and follow by retailers to be sustain in market. This is also first research to understand the customers experience and preference in Indian retail which includes the apparel industry through innovation. This form of research not conducted earlier where customer experience investigated through innovation from Indian retail perspective.

Research Implications: The research accomplishes with the implication of innovation in customers experience in digital world and make recommendations to retailers/companies that how customer experience can be taken to next level by working and understanding the importance of innovation in retail industry by providing few good example of different innovation done and adopted by many brand which enhance the customer's shopping experience, brand recall value and profitability as well.

Limitations: This research will address the customers experience though innovative way from Indian retail perspective using apparels industry. Retail environment is becoming very much competitive due to technology advancement and retailer across the industries need to find the innovative way to connect with the target audience. Future research can be done on other industries as well to understand the customers experience in digital world through different innovative way.

Practical/Social Implications: The success of the retailers/companies will depends upon the degree of excellence in terms of strong engagement and customer's experience. Due to the availability of different retail channels and competitors in market innovation is the only key to sustain in market not only in term of product quality and features but also innovation in customers experience which give customers a different and unique shopping experience. Due to technology advancement and rapid growth in innovation, adding new features on daily basis in existing technology, it is very much important for retailer to understand the practical scenario of market and needs to adopt the innovative way in their business to keep attract, engage and retain the customers in order to get the competitive advantage and to be sustain in market.

Keywords: Customer experience, Offline, Online, Shopping motivation, Brand value, Innovation

1. Introduction:

Change is beautiful and it is here. Daily advancement and innovation in technologies, downturn in economic and different driven new way to get sustainability in market are redesigning consumer behaviour, expectations and

offering brands with a set of new challenges and opportunities. After five years' time period "Retail Environment" for consumers and brand will be very different. Aubrey and Judge (2012) observed that consumer behaviour is changing rapidly in the form of growing number of smarter,

digitally connected, price conscious consumers who explore multiple shopping channels to get the product they want at the right price. Brands are under pressure which include how to deliver value to customers at minimum price level. To overcome this backdrop there is other side of retail which called "Innovation Phase". Retailers need to invest on Research and Development department to re-invent and create exciting shopping experience to customers. Innovation is much important not only for brick and mortar stores but also for e-commerce stores in order to keep attracting and engaging consumers with brand. Original and unique retail environment can lead retail to "Brand's Point of Difference" which will helpful for retailers to provide value to customers. Innovation from consumers perspective and focused on value and effective engagement is crucial if retailers want to counter the challenges of future retail environment head-on.

2. Literature Review (Innovation Management in Retail): Technology is the game changes for retailers. Prime agenda of retailer's to sell product seamlessly through different retail channel which helpful for them to survive and grow in market. MacMillan and Selden

(2006) mentioned that customer centric innovation is the key to success, "The more innovating customer centric you are, the longer it takes your competitors to figure out your game. This research explore aspects of innovation in customers experience Indian retail apparels industry using both offline and online stores concept.

2.1 Influence of Innovation (Technology) on Consumer Behaviour:

Inside Store (Offline) Experience: Customer's end to end journey with any retail brand is a step by step process which include interactive and innovative window display to inside store's shopping experience which leads them to make final purchase decision. At present time due to busy work life customers want to explore maximum products at the minimum time period. (Blazquez 2002) mentioned that technology is the key to creating an integrated experience between channels. In-store shopping experience is a key to create a value and brand image in consumers mind. Due to technology advancement there is an exponential growth in internet users due to its easy use and accessibility. Technology is also a part of in-store experience and it must be utilize to provide better experience to customers in order to meet with customers' expectations (Blazquez 2002). Rawson

(2013) addressed that in order to make customers shopping experience engaging, excited and memorable, technology plays an important role for creating an attractive environment inside the store. Technology is the key that changing and redefining the in-store experience with advanced technology such as interactive window display and fitting rooms that connect and create story with social networks. Although it is also important for retailers to note that focus on technology that is significant for consumers and deliver value for them. Virtual fitting rooms (also called magic mirror, Hi-Tech Memory mirror and many more) is one of the best example of innovation and technology in-store shopping experience where consumers can try and explore maximum product in minimum time interval.

Online Experience: According to Merle et al. (2012), touch and feel contact and lack of realistic information with product is one of the obstacles to buy product online. But now the time has been changed and innovations in technologies make it far simple for users to do online shopping without any risk. Menon (2002) addressed that innovation in technology makes it effective and possible for retailers to show the key features, advantages and benefits in such a way so that it creates excitement and enhance customers shopping

experience. Technology advancement enable consumers to evaluate multiple products online at the same time interval (Menon 2002). At present time consumers are becoming more personalized in terms of exploring and using the product. For instance 3D try of glasses on Lenskart.com, enable consumers to explore different types of glasses on virtual eyewear store where consumers can take try of different product as per their demand and can make final purchase decision without any risk.

Methodology: A quantitative survey approach was taken to address the objective behind the research. The purposed sample size to address the research will be approximately 300 people across India. To conduct this research two different retail channels considered i.e. offline (Brick and Mortar retail stores) and online (e-commerce stores) retail. Online shopping and offline (in-store) shopping experience considered two different independent experience so that it will be easy for respondents to keep focus on them easily.

Questionnaire considered demographics detail of respondent such as age, gender, education, professional and income level. All these details required because research is going to address the innovative customers experience in digital age. Wider

target audience/respondents was well-defined for this research: women and men having age bracket above 15 to 70 years old with having shopping experience in online and offline (brick and mortar retail store) and also having experience and familiar with the overall process of exploring and buying product/service in both channels.

The objective of the survey to be measure the motivation and perception of respondents about their respective last shopping experience in online and offline retail stores. In order to measure last shopping experience of respondents five point Likert scale from total disagree (ranging from 1) to totally agree(to 5).

The questionnaire/survey was conducted online using snowball sampling process. This sampling method widely used by researcher in social science as and effective and efficient method to deliver in-depth analysis and fairly speedy result. Customers hedonic and utilitarian value/shopping motivation is also considered and measured in both retail channels.

Result & Data Analysis: A total of 300 sets of questionnaires (online google form) were distributed to the potential consumer's preference and attitude towards the technology advancement and

all the 300 responses were collected. Therefore the response rate for this research was 100%. Entire research work segregated in to four different parts i.e. demographic details of respondents, research questionnaires based upon lifestyle, offline and online experience and based upon comparison of shopping experience between two different stores, one where technological devices installed with other normal retail stores.

Respondent's demographic profile:

Fig 1: Gender Specification

Out of 300 respondents, 69.8% are male respondents whereas rest 30.2% are female respondents.

Fig 2: Age Bifurcation

45.5% respondents are from age bracket between 26-35 years, 30.5% are from 36-45 age bracket, 15.8% are from 15-25 age bracket and 7.7% are from 46-55 age bracket.

Fig 3: Education level of Respondents

51.3% respondents are graduates, 6.5% are secondary/sr. secondary school level and 41.9% are post graduate and above education level.

Based Upon Lifestyle: It includes the individual's opinions, interests &

behaviour under certain circumstance along with social group influences.

Fig 4: Retail Channel

Based upon the current lifestyle of respondents, 81.6% people are there who usually do shopping from offline retail, 10% are from online retail and 8.4% people are these who love to do shopping from both retail channels.

Fig 5: Technology Advancement

Out of 300 respondents, 94.5 % people are there who mentioned that technology advancement is highly important in their daily lifestyle where as 5.5% people are there who considered technology advancement is lesser important.

Fig 6: Attitude towards technology advancement in retail industry

22.3% respondents are there who mentioned that technology advancement allow them to stay ahead in terms of keep themselves knowledgeable and updated with the current market trends and innovation. 18.7% considered technology advancement is a necessary evil in competitive market. 48.1% mentioned that technology advancement save their time and helpful to make purchase decision. 36.8% mentioned that technology advancement helpful in effective engagement with different brands and

28.4% mentioned that it is helpful in product exploration and virtual fitting in online and offline retail store as well.

Fig 7: Easy Payment I Checkout I Engagement

23.9% people are strongly agree and mentioned that technology advancement helped a lot in checkout process (after purchasing product) and easy payment mode (using mobile apps, online payment etc.) which leads to effective engagement with brands in more effective way, 55.5% are agree on same where as 12.9% people considered it as a neutral.

Fig 8: Reviews I Purchase Decision

42.6% people are there who regularly see the comment/reviews of other people on social media before making the final purchasing decision where as 15.5% mentioned that they always read reviews before making the final purchasing decision and 39.4% people mentioned that they do it occasionally.

Fig 9: Devices I Read Reviews

26.5% people mentioned that they use mobile application (application by brands) to engage, visit website and to read reviews about specific product before

making final decision, 79% use internet browser and 27.1% used computer for same.

Fig 10: Satisfaction Level I Complaints I Social Media

61.6% people mentioned that if they are not satisfy with the product quality or in any other parameter, they put online complaint about product either on company's official website or social media as well.

Offline and Online Experience: It includes the respondents experience with brand/shopping/engagement in both offline and online retail channels.

Fig 11: Technology Experienced

Out of 300 respondents 90% people are there who experienced technology advanced in retail stores where as 10% mentioned that they didn't experience any kind of technology advancement in visited retail stores.

Fig 12: Parameters, liked most by Respondents

23.2% respondents are there who mentioned that self-check-out is more important for them in a retail store. 74.5% mentioned that fast billing process is important parameter for them. 22.3% shown their interest towards the virtual fitting room in retail store and 24.2%

mentioned that small digital signage inside the retail stores are key parameters for themselves.

Fig 13: Preference towards Brand Association

60.6% respondents are there who mentioned that they love to be associate with those brands who offer different and innovative way to engage with brand offline and online as well. 18.4% mentioned customer service is the key parameters and 21% mentioned having good brand image in market as it will also reflect their own self esteem with brand association.

Comparison between Two Retail Stores:

Here consumers behaviour noticed based upon the experience between two different retail stores. One where technology devices installed and other one where technology devices not installed.

Fig 14: Time Duration in Retail Store

47.4% respondents mentioned that they spend lesser time in those stores where technology devices installed as it is helpful for them regarding product exploration, making final purchase decision and easy check-out process.

Fig 15: Shopping Experience

58.7% respondents mentioned that they love to do shopping form those stores

where technology devices installed. As per respondents it makes their shopping experience enjoyable and effective engagement with brands.

Fig 16: Hedonic Products Preference

57.7% respondents are there who agreed that they love to buy hedonic products from those stores where technology devices installed as it helps them to drive self-satisfaction level and self-esteem as well in their subjective norms.

Practical/Social Implications: The success of the retailers/companies will depends upon the degree of excellence in terms of strong engagement and customer's experience. Due to the availability of different retail channels and competitors in market innovation is the only key to sustain in market not only in term of product quality and features but also innovation in customers experience which give customers a different and unique shopping experience. Due to technology advancement and rapid growth in innovation, adding new features on daily basis in existing technology, it is very much important for retailer to understand the practical scenario of market and needs to adopt the innovative way in their business to keep attract, engage and retain the customers in order to get the

competitive advantage and to be sustain in market.

Conclusions and Further Research: This study examined the effect of innovation in customer experience in Indian retail apparel industry. Technology appears the most important element that influence the customer's behaviour to engage with brand, product exploration and influence purchase decision as well. As per current study result technology influence the customer's behaviour a lot and for them it's a necessary evil and allow customers to stay ahead. Virtual mirror/memory mirror is one of the fastest growing innovation in retail stores where customers can take look of different products, explore different product and can make final purchase decision at minimum time interval. Current study focused on customers behaviour and studied customers behaviour in different categories as like based upon lifestyle, online and offline retail channels and comparison between two different retail stores (technology devices installed store and normal retail store). Current study focused from customer's behaviour perspective whereas future study can be conduct from retailer's perspective in order to understand their approach towards the digitalization and future business growth and enhancement. Current study focused

from retail industry (apparels) perspective whereas future study can be conduct in other industry as well to understand the customer's behaviour towards innovation and technology advancement in other industry as well.

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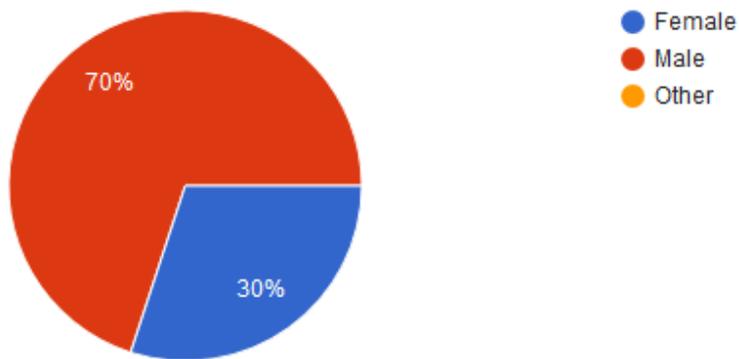


Fig 2: Age Bifurcation

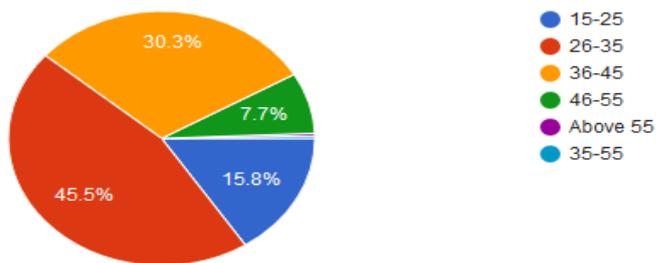


Fig 3: Education level of Respondents

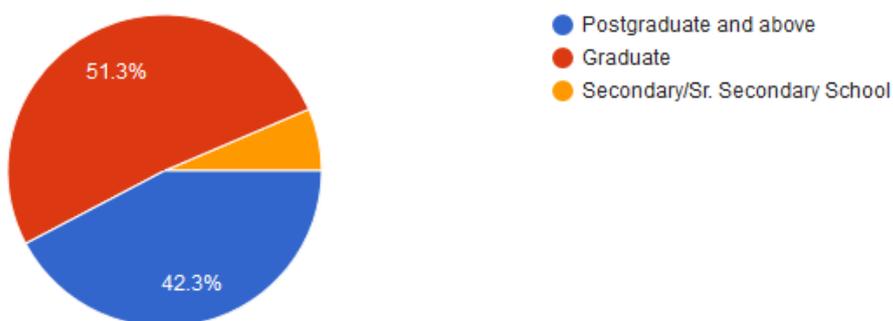


Fig 4: Retail Channel

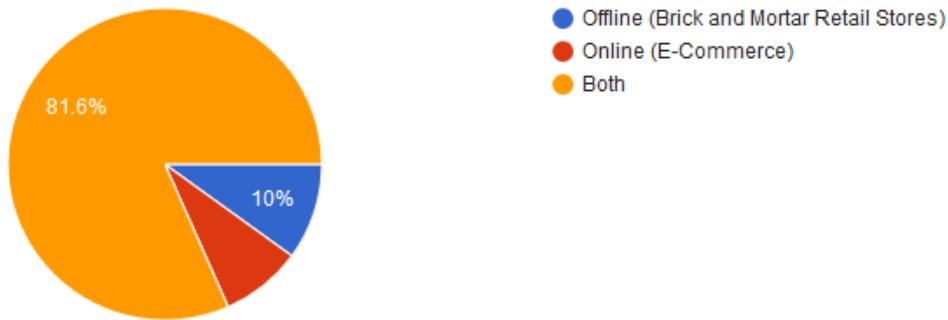


Fig 5: Technology Advancement

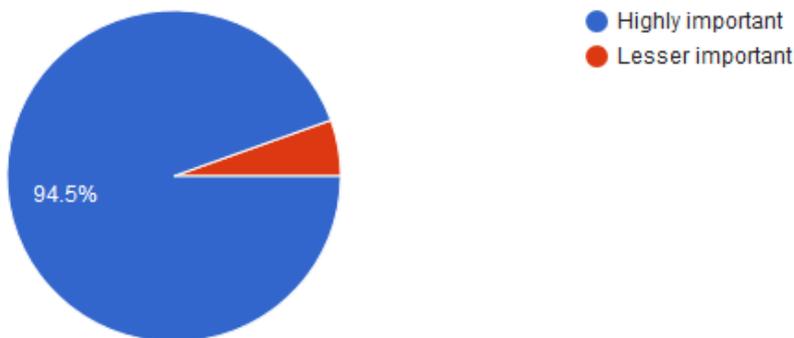


Fig 6: Attitude towards technology advancement in retail industry

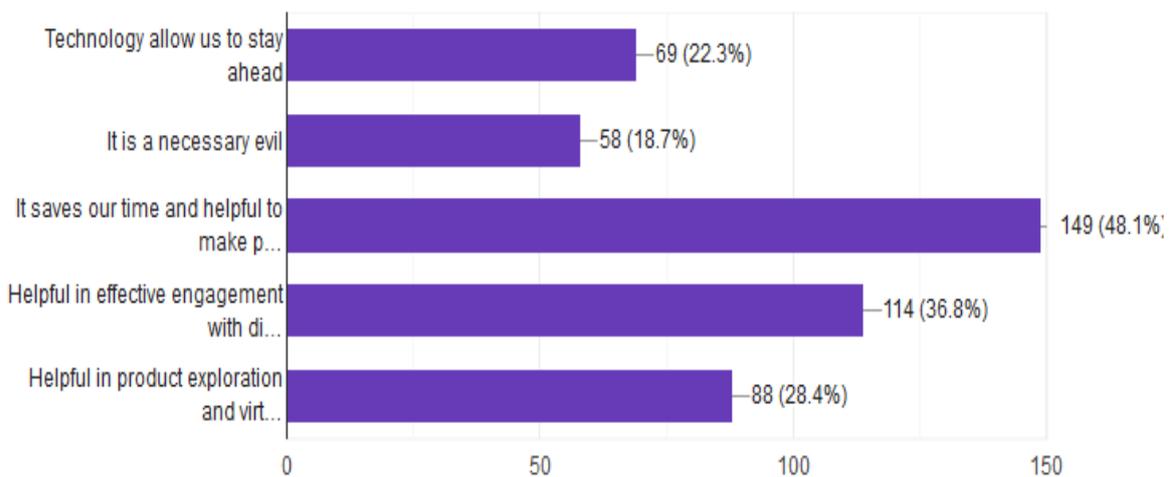


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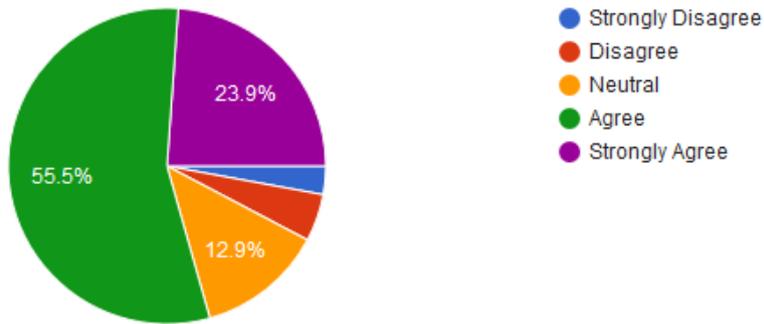


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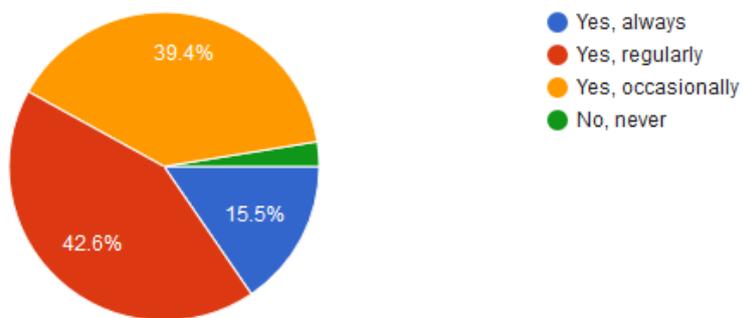


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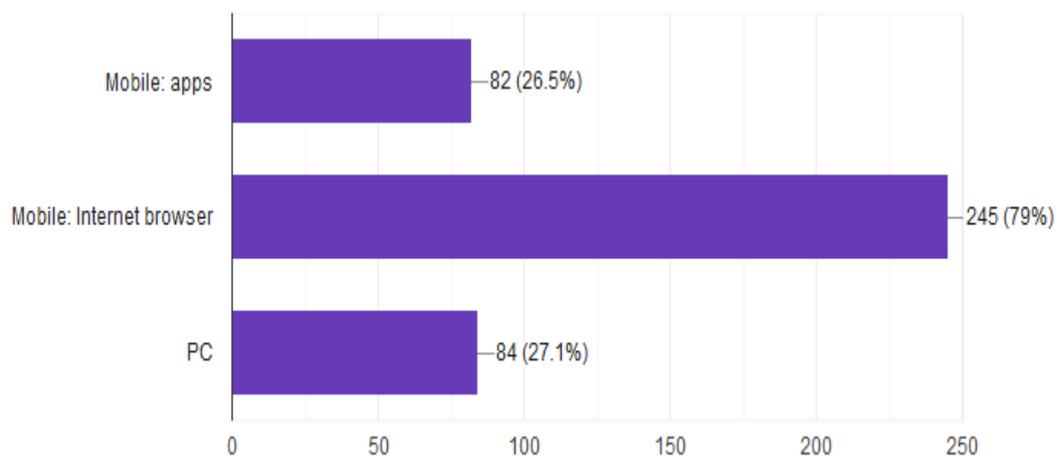


Fig 10: Satisfaction Level I Complaints I Social Media

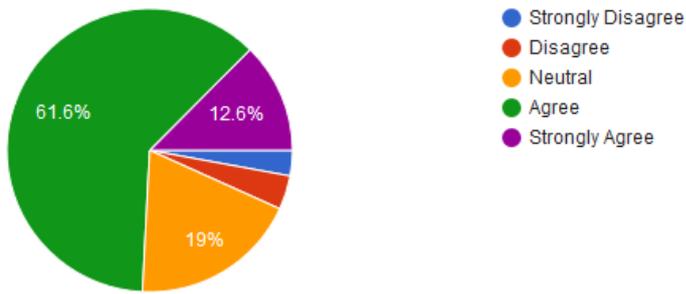


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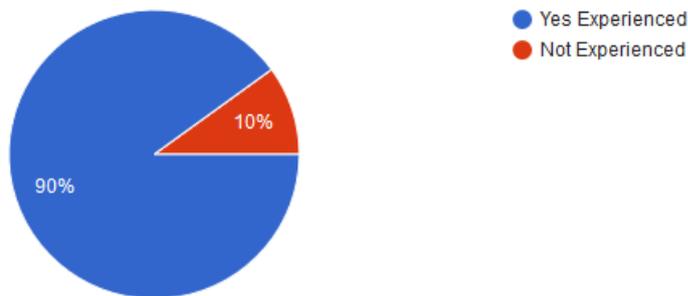


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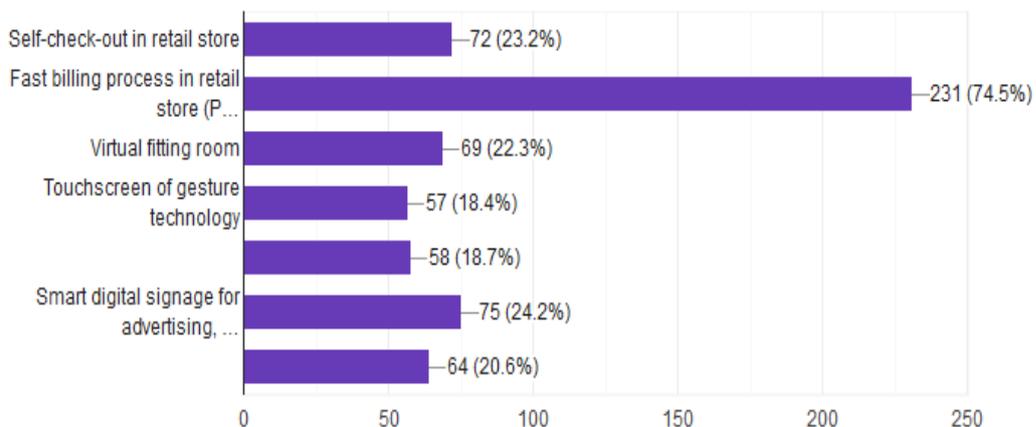


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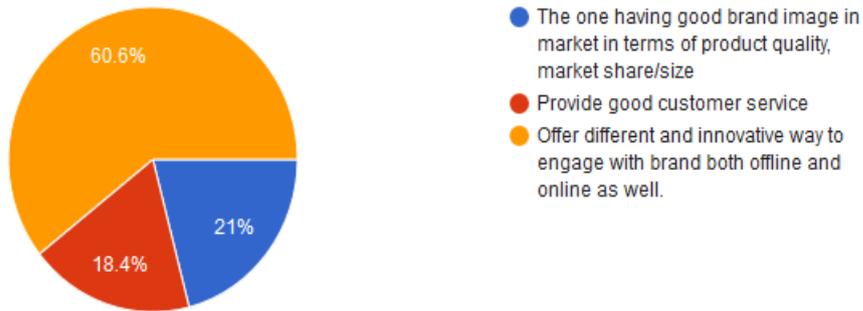


Fig 14: Time Duration in Retail Store

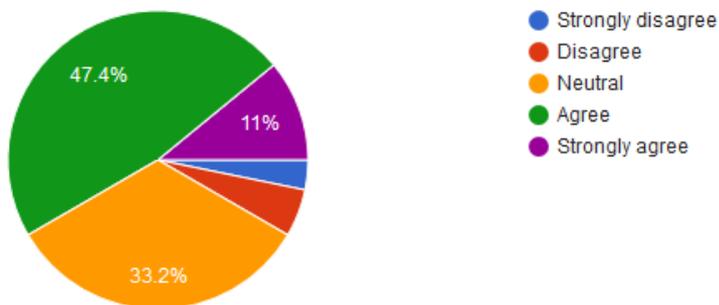


Fig 15: Shopping Experience

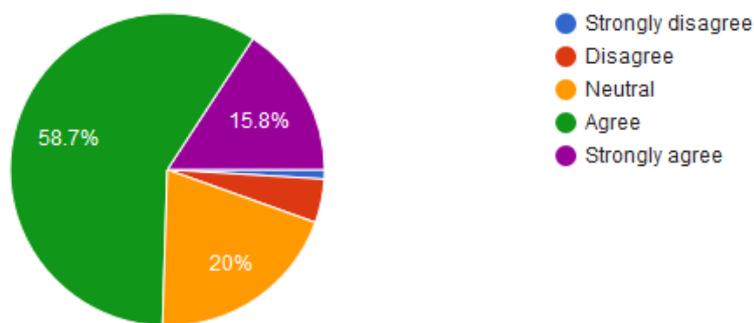


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