An Evaluation of the “Omni-Channel Strategy” in the Tourism Industry

Tourism Sector’s “Omni-Channel Strategy” Evaluation

ABSTRACT

Businesses are struggling to set out more effectively thanks to the environmental conditions and technological developments around them. Omnichannel distribution and distribution channels have become increasingly important in the distribution chain, logistics, and entire retail industry. At the same time, this distance maintains its importance for tourism, which has a very important place in the service sector. Developments in retail distribution, which is a part of the service sector, will contribute to the delivery of goods and services to users in a healthier and more efficient manner. In this context, businesses that reach customers with a fast and high-quality way that makes a difference in distribution channels can meet the demand flexibly. In this study, tourism businesses that implement omnichannel strategies and distribution channel strategies are discussed from a conceptual perspective. It can be said that the study can create a roadmap for all sectors, and that omnichannel strategies and distribution channel strategies are very important in terms of the sustainability of the operations of the enterprises and customer satisfaction under intense competition conditions.

Keywords: Omnichannel Strategy, Distribution Channel Strategy, Marketing, Logistics, Tourism

ÖZET


Anahtar Kelimeler: Omnicanal (bütüncül kanal) Strateji, Dağıtım Kanalı Stratejisi, Pazarlama, Lojistik, Turizm

INTRODUCTION

The online ecosystem defines the customer behavior or flow of online visitors to an organization and its competitors between search engines, media sites, and other intermediaries (Chaffey, Hemphill, Edmundson-Bird, 2019). Just as it is important to examine the physical behavior of real-world consumers to help improve and augment the customer experience, it is equally important to examine the impact of different ecosystems on online consumer behavior or customer experience today.

For distribution channel strategies in order to continue to exist in an effective competitive system, distribution channels must be managed as a whole. Today, consumers reach goods and services through more than one channel and at different points and want to have an uninterrupted shopping experience. Businesses that make a difference in the strategies they implement in environmental conditions where competition conditions are so harsh and challenging can continue their existence. The omnichannel strategy is a strategy approach that allows businesses to provide a seamless customer experience across all channels. Distribution channels, on the other hand, express the path followed by the movement of goods and services from the producer to the consumer. In distribution channel strategies, businesses include the distribution channels, systems and different strategies for all the decisions they will use to reach as many customers as possible.

1 Asst. Prof. Dr., Usak University, Faculty of Applied Science, Logistics, Usak, Türkiye. ORCID: 0000-0003-3260-7432
2 Dr. (Lecturer), Usak University, Vocational School of Banaz, Tourism and Hotel Management, Usak, Türkiye. ORCID: 0000-0002-2321-0639
With the internet, mobile devices and social media, connecting multiple sources across different channels is revolutionizing the retail customer experience. Rather than independently managing multiple channels, retailers began to realize the importance of integrating information and services from multiple existing channels to reduce data mismatch and improve seamless experience, encouraging the shift from multichannel strategy to omnichannel strategy (Shen, Li, Sun, & Wang, 2018).

This strategy includes the integration of all common channels as a concept, store, website, mobile channels, social media, customer touch points, customer-retail channel-brand focus, all channels working together to provide an integrated brand experience, a cross-channel management. Being able to trigger perceived interaction with the brand, synergistic management, full interaction with customers and using channels at the same time makes it necessary to provide full integrated control of all channels and to tailor sales behavior using different arguments depending on each customer's needs and knowledge of the product (Chaffey, Hemphill, Edmundson-Bird, 2019).

Regardless of the sector, it is possible to say that businesses need to be innovative and that innovative businesses are preferred by more customers (Bilim and Adabalı, 2015: 722). In this context, the existence of enterprises in the omnichannel environment, which is a new strategy, and the use of this strategy will increase their preference. It is thought that examining the omnichannel applications, especially in the tourism sector, where innovations and technology are highly applicable, and what studies are carried out in this field will be useful for a better understanding of this strategy. For this purpose, this study aims to contribute to the literature by first explaining the omnichannel strategy and then examining the studies in the tourism sector.

OMNICHANNEL STRATEGY

Definition of Omnichannel

It is possible to say that omnichannel is a new method to improve the shopping experience of customers and to overcome the shortcomings of the multichannel approach to retailing. Verhoef, Kannan, and Inman (2015) defines omnichannel as "the synergistic management of multiple existing channels and customer touchpoints to optimize the customer experience and performance across channels". In another definition, it is possible to define omnichannel retailing as a set of integrated processes and decisions that support a unified view of a brand in terms of product purchase, return and exchange, regardless of the channel (in-store, online, mobile, call center or social) (Aberdeen Group, 2012).

An omni-channel customer experience occurs when customers can place an order through one channel (for example, online), receive delivery through another (for example, in a store operating in the real place) and return through a third channel (for example, from home or wholesaler) (Solomon, 2015). According to Hossain, Akter, Kattiypornpong, and Dwivedi (2019), there has been a recent tendency to integrate competing channels, emphasizing the benefits of each channel, and besides multi, the Latin word omni, which means "all" and "universal", is more appropriate to explain this situation.

Heinemann and Gaiser (2016) put forward the concept of SO-LO-MO regarding the subject and this concept consists of three main factors: "social commerce, location-based services and mobile commerce" (Figure 1).

Figure 1: SO-LO-MO
Source: Hüseyinoğlu, Galipoğlu, Kotzab (2017); Schwerdt (2013), Himmelreich, Meinert, Pöpplow (2013)
Omnichannel Strategy and Other Channels

Retailers should consider the customer experience, regardless of the number of channels or integration methods, and try to integrate the customer experience into all channels in order to reduce the difficulties and conflicts in integrating their processes (Kim, Park and Pokulangara 2005).

![Omnichannel Diagram](image)

**Figure 2: Omnichannel**
**Source:** Yolcu, Ekici, Altunışık & Özkaynar (2017)

The journey from single channel to omni channel is shown in Figure 2. Products and services that could only be purchased by going to the store in the past, have become available over time via multi-channel telephone and internet. According to Öztürk (2019), there is partial coordination and integration between some of the channels in the cross channel, which is different with the multi-channel approach, and it is possible to switch between channels and contact points. For example, a product seen in the business catalog may also appear on the website. In order situations, one of the e-commerce site and the store can be preferred. As seen in the figure, while there is a vertical relationship in single, multiple and cross channels, it is possible to communicate with the consumer holistically in the omni channel (Yolcu et al., 2017).

Meeting increasing customer expectations with the implementation of a multi-channel strategy can cause complexity. One reason is that channel options are inherently more diverse, and second, omnichannel retailing involves going further than the existing channel design by adding and integrating channels to provide transitional opportunity, and aims to blur the boundaries between various channels and touchpoints (Verhoef et al., 2015; Piotrowicz and Cuthbertson, 2014; Picot-Coupey, Huré and Piveteau, 2016). Table 1 shows the comparision of omnichannel with the other channels.

**Table 1: Comparision of Omnichannel with Other Channels**

<table>
<thead>
<tr>
<th>Key Variables</th>
<th>Multichannel</th>
<th>Cross-channel</th>
<th>Omnichannel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration</td>
<td>Not integrated</td>
<td>Partially integrated</td>
<td>Fully integrated</td>
</tr>
<tr>
<td>Real-Time</td>
<td>Promotions occur at pre-scheduled times</td>
<td>Promotions occur with a lag (manually scheduled)</td>
<td>Real-time execution (with no lag)</td>
</tr>
<tr>
<td>Sequence</td>
<td>No sequence of campaigns/actions</td>
<td>Campaigns can be sequenced (not actions)</td>
<td>Campaigns and actions are sequenced</td>
</tr>
<tr>
<td>Orientation</td>
<td>Higher brand orientation</td>
<td>Partial brand and customer journey orientation</td>
<td>Full customer journey orientation</td>
</tr>
<tr>
<td>Personalization</td>
<td>No personalization</td>
<td>Partial personalization</td>
<td>Complete personalization</td>
</tr>
</tbody>
</table>

**Source:** Axtria, 2023

Shi, Wang, Chen & Zhang (2020) states that omnichannel experience dimensions focus on different aspects of the customer experience, such as connectivity, integration, consistency, flexibility and personalization (Table 2). They describe these dimensions as the omnichannel experience from a pre-sale to post-sale perspective. For example,
consistency refers to offering customers the same products, information and services across all channels, while integration refers to coordinating information systems and operations across channels to maintain a unified brand experience.

**Table 2: Omnichannel experience dimensions**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connectivity</td>
<td>The extent to which the cross-channel service content and information are linked and interconnected.</td>
<td>When a customer is browsing a product on mobile devices, a nearby physical store is recommended for him/her.</td>
</tr>
<tr>
<td>Integration</td>
<td>The extent to which customer perceives all information systems and management operations are unified and integrated well across channels.</td>
<td>The launch of new products is synchronized across different channels.</td>
</tr>
<tr>
<td>Consistency</td>
<td>The extent to which customers experience both content and process consistency of interactions across channels.</td>
<td>The price and sales information of products are consistent across all channels.</td>
</tr>
<tr>
<td>Flexibility</td>
<td>The extent to which customers are provided with flexible options and experience the continuity when migrating tasks from one channel to another channel.</td>
<td>A customer can purchase the product online and receive the after-sales service in a physical store.</td>
</tr>
<tr>
<td>Personalization</td>
<td>The extent to which a customer perceives that the omnichannel retailer provides its customers with individualized attention.</td>
<td>The salesperson can offer personalized recommendations based on a customers’ online purchase history.</td>
</tr>
</tbody>
</table>


**CONCEPTS RELATED TO OMNICHANNEL**

**Omnichannel Integration**

With the rapid development of in-store technology, multi-channel service has turned into a service offered through holistic channels. The holistic channel service offers customers an integrated, seamless and consistent cross-channel shopping experience by integrating different parallel channels.

Although an omnichannel service may exhibit good virtual and physical quality, the overall perceived service quality may be low. For example, if a customer is searching for the same information displayed on the phone or website screen in a service query, if there is an inconsistency between the two information, this will obviously result in a negative perception of service quality. This will happen even if human and Web queries are handled with a high level of physical and virtual quality, respectively. Therefore, it is suggested that a third quality component should be considered in multi-channel service situations. This component is integration quality (Sousa Rui, Christopher A. Voss, 2006, p.365.)

It was stated that ensuring the quality of channel integration positively affects customer participation and supports word of mouth communication. Channel integration quality also provides retailers with actionable insights into interacting with customers across the channel (Lee et al, 2019: 90). In the study of Huang et al. (2019, p. 4753), it is stated that a high level of integrated channel integration quality helps to increase consumer trust and this helps to maintain positive customer relations and customer loyalty between the retailer and its customers.

**Brand Omnichannel Credibility**

The approach of disciplines to credibility is different. Being scientifically credible is explained by associating it with the standards that can be accepted by the majority and the quality of the level of verification of the information according to objective criteria, which have been scientifically evaluated by experts. In terms of media, credibility is close to persuasiveness in terms of meaning and perception. In terms of mass media, credibility is a concept that can be explained as being “fair, unbiased and accurate”. A person's confidence in the news is directly proportional to his/her finding the message correct. For all viewers, reliable news should be accurate, objective, free from personal comments, in a structure containing precise statements and free from prejudice (Yılmaz, 2016).

Aristotle states that an information source’s quality that cause its words believable beyond its contentions’ proof (West, 1994). Gao and Huang (2021) also emphasize that omnichannel retailers understand that providing a seamless, consistent and trusting environment can facilitate customer engagement and thus gain customer loyalty.

**Webrooming**

Online marketing customer behavior can be summarized as, getting information from the internet and buying in-store, becoming an important issue in the integrated channel marketing approach (Verhoef, Neslin, & Vroomen, 2007). This can be occur in tourism sector as getting information of a tourism consumer from his/her mobile phone or internet while he/she is waiting in a travel agency and then the consumer makes the hotel reservation via travel agency.
Showrooming

Julie Bousman, in her 2011 New York Times column, "Buy Books in Stores, Then Buy Online," reports that some readers go to bookstores simply to check on new orders online, a behavior also observed by booksellers, which he calls "showrooming" (Bosman, 2011).

While customer showrooms were not common in the past, today's retailers are 'omni-channel' users, using technologies such as the Internet of Things, artificial intelligence, digital shopping assistants and mobile channels to digitize the showroom for this feature to become with digitization, stores become multi-channel touchpoints, opening up not only e-commerce and online ordering, but also experience, tactile testing and personalized shopping, which is the biggest asset of physical marketing (Öztürk, 2019).

OMNICHANNEL STRATEGY AND TOURISM

Today, there are quite a lot of alternatives, consumers prefer alternatives that include comfort, emotion and comfort rather than functional benefit in their preferences, and consumers want their experiences to be uninterrupted thanks to uninterrupted interaction. At this point, with integrated-channel (omni-channel) applications, the consumer can experience the purchasing stages on different platforms and realize the expectation of variety seeking, which is one of the main features of postmodern consumption (Yolcu et al., 2017).

![Figure 3: Omnichannel Strategy](image)

Source: Öztürk, 2019.

In tourism sector, consumers can get information from travel agents, hotels from every channel they use. For example the consumers can visit travel agency’s store or web site, mobile app, can write email, can telephone (Figure 3.) They can get information from a travel agency staff and make their reservations via web site or mobile app of the travel agency. Omnichannel strategy gives an unlimited opportunity for these transactions.

![Figure 4: Tourist travel cycle](image)


Considering the travel cycle of the tourism consumer (Figure 4), it occurs as first the travel decision and planning, then the reservation, transportation, tourism experience and departure constitute this cycle. At all these stages, with omnikanal, businesses can interact with the consumer in every way using an integrated system. For example, with a business using the omnikanal strategy, the consumer can access the hotel's comments and information at the decision stage through tools such as the hotel's phone, website, social media, and mobile application. Again, you can make reservations through all channels, get information about transportation and arrange the transfer process,
and contact the hotel through these channels when you arrive at the hotel. Thus, the customer can interact with the hotel without the need for other businesses and applications. You can also check out the hotel as you wish. Because all channels are integrated with each other, these operations can be done without any problems. Thus, the tourism consumer may have established a good communication with the hotel and perhaps even created customer loyalty.

**STUDIES IN THE LITERATURE**

Dijk et al. (2005), through an exploratory empirical study, revealed that consumers actively evaluate the information obtained from various channels in order to obtain the best offer offered by the most suitable channel at the moment (as cited in Lazaris and Vrechopoulos, 2014). Accordingly, Baal & Dach (2005) defined free ride behavior for this strategy and discovered that in order to cope with these behaviors, retailers should offer different cross-channel advantages and also give importance to distribution integration strategies and customer relationship management practices.

In the study by Zhang et al. (2019) an eight-dimensional scale was developed that includes store appearance, personal interaction, efficiency, aesthetic design, privacy/security, integration, personalization, and fulfillment/reliability.

Regarding the omnichannel, there are studies on the concept of channel integration in the literature. In the studies of Tasnim et al. (Tasnim et al., 2020; 225), channel-service configuration, process consistency, content consistency and trust quality were determined as omnichannel integration quality dimensions. The findings indicate that the quality of integrated integration and its dimensions have a significant impact on consumers' perception of service quality. Some studies state that channel integration has an important role between omnichannel service usage and consumer behavior, online-offline channel integration and customer behaviour (Fang et al., 2021; Lee et al., 2019).

**METHOD**

This study aims to give more conceptual information about omnichannel strategy, which is a new concept. In addition, with the document scanning method, which is one of the qualitative analysis methods, studies in the tourism sector have been reached. Studies were searched in Web of Science.

**FINDINGS**

Studies about tourism sector and omnichannel strategy is given in Table 3. There are not many studies on this subject in this area.

### Table 3: Studies about Tourism and Omnichannel

<table>
<thead>
<tr>
<th>Title</th>
<th>Authors</th>
<th>Source Title</th>
<th>Publication Year</th>
<th>Total Citations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are privacy concerns still relevant? Revisiting consumer behaviour in omnichannel retailing</td>
<td>Cheah, Jun-Hwa; Lim, Xin-Jean; Ting, Hiram; Liu, Yide; Quach, Sara</td>
<td>JOURNAL OF RETAILING AND CONSUMER SERVICES</td>
<td>2022</td>
<td>54</td>
</tr>
<tr>
<td>Advance booking across channels: The effects on dynamic pricing</td>
<td>Bigne, Enrique; Nicolau, Juan Luis; William, Edu</td>
<td>TOURISM MANAGEMENT</td>
<td>2021</td>
<td>10</td>
</tr>
<tr>
<td>Convenience stores in the digital age: A focus on the customer experience and revisit intentions</td>
<td>Gibson, Samantha; Hsu, Maxwell K.; Zhou, Xing</td>
<td>JOURNAL OF RETAILING AND CONSUMER SERVICES</td>
<td>2022</td>
<td>4</td>
</tr>
<tr>
<td>Effects of online-to-offline spillovers on pricing and quality strategies of competing firms</td>
<td>Dong, Shuang; Qin, Zhongfeng; Yan, Yingchen</td>
<td>INTERNATIONAL JOURNAL OF PRODUCTION ECONOMICS</td>
<td>2022</td>
<td>4</td>
</tr>
<tr>
<td>Impact of omnichannel integration on Millennials' purchase intention for fashion retailer</td>
<td>Cattapan, Teerada; Pongsakornrungsipl, Siwarit</td>
<td>COGENT BUSINESS &amp; MANAGEMENT</td>
<td>2022</td>
<td>3</td>
</tr>
</tbody>
</table>
Converging digital technologies using api: expanding the landscape of food ordering and delivery in South Korea

How Does Anxiety Affect the Relationship between the Customer and the Omnichannel Systems?

Research of The Use of on-Line Platforms by Commercial Companies of The Russian Federation

New retail models in online and offline space

Differences between webrooming and showrooming in terms of selected consumer perception factors

Knowledge development in tourism distribution channels: from single channel to omnichannel

Omnichannel service operations with order-online-and-dine-in-store strategy

Torres, Arnelyn M.

Khoa, Bui Thanh; Huynh, Tran Trong

Belyakova, Maria Yuryevna; Zvereva, Anna Olegovna

Sikos, Tamas T.; Kozak, Tamas; Kovacs, Andras

Olearova, Maria; Gavurova, Beata; Bacik, Radovan; Pavlinska, Katarina

Soltani-Nejad, Nima; Irani, Hamid Reza; Soltani, Morteza; Yazdani, Hamid Reza

Guo, Qiang; He, Li; He, Yi

INTERNATIONAL JOURNAL OF FUTURE GENERATION COMMUNICATION AND NETWORKING

JOURNAL OF THEORETICAL AND APPLIED ELECTRONIC COMMERCE RESEARCH

EDUCATION EXCELLENCE: AND INNOVATION MANAGEMENT: A 2025 VISION TO SUSTAIN ECONOMIC DEVELOPMENT DURING GLOBAL CHALLENGES

DETOEUROPE-THE CENTRAL EUROPEAN JOURNAL OF REGIONAL DEVELOPMENT AND TOURISM

ENTREPRENEURSHIP AND SUSTAINABILITY ISSUES

ADVANCES IN HOSPITALITY AND TOURISM RESEARCH-AHTR

MANAGERIAL AND DECISION ECONOMICS

2021

2023

2020

2019

2022

2022

2022

Source: derived from Web of Science

It can be seen in Table 3 that studies on omnichannel in the tourism sector have been carried out since 2019 and intensified in 2022. It is possible to say that studies on this newly used strategy will increase in the coming years.

CONCLUSION

While there were very few studies and applications related to this concept in the past, Omnichannel has been included in our lives in almost every field in recent years. The importance of knowledge and experience about tourism products and services, especially since they cannot be tried before purchasing, highlights the benefit of omnichannel in the tourism sector. Again, an integrated system in matters such as reservation and purchasing offers many opportunities to tourism consumers. At this point, further examination of the omnichannel strategy in the tourism sector and detailed studies are required.

In a study conducted by Janka Pleska, 6 benefits to the retailer are mentioned by using Omnichannel (Pleska, 2017) and Öztürk (2019) added the seventh item:

1. Instant Revenue Growth
2. High Customer Loyalty and Loyalty
3. Facilitate Personalized Offers
4. Seamless Interaction from All Channels
5. Information Validation with Cross-Channels
6. Lower Cost with Self Service
7. Consistent Brand Image

The above benefits can also be adapted to the tourism sector, and future studies can increase the awareness of tourism enterprises in this direction and encourage more and more effective use of this strategy.
REFERENCES

CHANNELRETAILEXP. PDF.) (accessed on 16.05.2023).

Axtria (2023). What is Omnichannel Marketing? - Implementation, Benefits & Challenges

Interactive Marketing, 19(2), 75–85.

2015.08.001.

Belyakova, M. Y., & Zvereva, A. O. (2020). Research of the use of on-line platforms by commercial companies of
the Russian Federation. In Proceedings of the 35th International Business Information Management Association

Tourism Management, 86, 104341.

http://mediadecoder.coder.blogs.nytimes.com/2011/12/04/bookshopping-in-stores-then-buying-on-line/?_r=0


Pearson Education


Dong, S., Qin, Z., & Yan, Y. (2022). Effects of online-to-offline spillovers on pricing and quality strategies of
competing firms. International Journal of Production Economics, 244, 108376.

channel retailing: The moderating effects of product information overload and alternative attractiveness. Electronic
Commerce Research and Applications, 46, 101028.

Managerial and Decision Economics, 43(6), 2311-2325.

bvdw.org/mybvdw/media/download/msc-si-13-2-everywherecommerce-2013.pdf?file=2993 (accessed 10 January
2014).

systematic review and agenda for future research. Journal of Retailing and Consumer Services, 49, 154-163.

https://hdl.handle.net/10125/59913

Hüseyinoğlu, I. Ö. Y., Galipoğlu, E., & Kotzab, H. (2017). Social, local and mobile commerce practices in omni-
channel retailing: Insights from Germany and Turkey. International Journal of Retail & Distribution Management,
45(7/8), 711-729.

Gao, M., & Huang, L. (2021). Quality of channel integration and customer loyalty in omnichannel retailing: The
mediating role of customer engagement and relationship program receptiveness. Journal of Retailing and Consumer
Services, 63, 102688.


