RESEARCH REPORT

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OMNI-CHANNEL RETAILING: LOW-INCOME CONSUMERS' EXPERIENCE

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EXECUTIVE SUMMARY

Low-income consumers were previously an excluded target market when retailers were initiating an online presence. This was mainly owing to their assumed limited access to resources (Dakduk, Santalla-Banderali & Siqueira, 2020). This has changed, however, as more low-income consumers use mobile devices to access the internet (Data Reportal, 2022) and increasingly engage in omni-channel retailing (NielsenIQ, 2021). The Fast Moving Consumer Goods industry has shown a keen interest in improving its omni-channel consumer experience (KPMG, 2021), but a lack of research both on low-income consumers' shopping journeys and in particular on their omni-channel experience poses a challenge for FMCG retailers. This study addresses this challenge by conducting interviews with 20 participants and undertaking a qualitative analysis in order to understand their behaviour, challenges, shopping journeys, and overall omni-channel experience.

The results indicate that low-income consumers predominantly engage in an offline-to-online context and adopt some showrooming as their omni-channel process. They start off by receiving information offline (visiting stores, getting a sense of and feel for the brand), and when they are familiar with the store, feelings of confidence and trust in the retailer emerge from the offline engagement and encourage them to move into online shopping. A massive online shopping driver for this market segment is a delivery and transport cost saving (many need to use Ubers, as they don't have their own transport). This segment also has a strong concern about the delivery waiting time, which is important for this segment when selecting a store for online shopping.Even though a number of the interviewed participants received their deliveries within a reasonable time frame, the majority also indicated that the delivery time could improve. This market also experiences seemingly highly positive emotions upon receipt of a delivery: they reported being happy, satisfied, and even excited when a delivery arrives. The segment was divided between the overall consistency of their online experience with the brand and their offline experience; the divide was predominantly between their different perceptions of cleanliness and customer service, with half saying that these are better online, and half saying that these are the same in both channels.

Some key recommendations to retailers are:

- Continued improvement of their assembly, packaging, and delivery times to serve this market.
- Cost-effective delivery methods should be explored and implemented. This is a large driver, as a delivery service often costs less than using retailers' own transport.
- Capitalising on the heightened sense of emotion experienced by offering additional services, small product samples, or any other form of surprise to take the customer from satisfied to delighted.
- Improving the perceived consistency of channel experiences, and therefore of brand engagement experiences (e.g., the cleanliness of the store and the level of customer service, as these are perceived by some to be better online than offline).
- Physical stores remain important to this segment as providing a form of credibility; the in-store experience should therefore be focused on instilling confidence and trust in the brand and growing the in-store brand experience.

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INTRODUCTION TO THE STUDY

Over the past decade, consumers have changed the way in which they shop for products and services, forcing retailers to amend their approaches in order to satisfy and retain consumers (Jaeckel & Yen, 2019). One of these changes has included the introduction of online shopping channels in an effort to offer products and services more conveniently and, in some cases, at a lower cost. Some retailers have even considered the removal of their brick-and-mortar presence completely (Difrancesco, Van Schilt & Winkenbach, 2021; Gao & Su, 2017). However, a major disadvantage of removing the brick-and-mortar offering is the fact that consumers cannot physically touch or inspect items before purchasing them (Gao & Su, 2011). Thus, as a solution to this disadvantage, retailers have started integrating their online and offline platforms in an effort to offer an omni-channel shopping experience (Li, Zhang & Tayi, 2020).

With the introduction of the omni-channel shopping experience, retailers have noted that consumers' shopping expectations have changed: they search for the seamless shopping experience that omni-channel retailing offers (Jin, Caliskan-Demirag, Chen & Huang, 2020). The key to omni-channel retailing includes understanding of what consumers regard as valuable in their shopping experience (Difrancesco *et al.*, 2021). This has prompted the need to understand more clearly consumers' perceptions of omni-channel platforms and what they offer in order to tailor them to meet consumers' expectations.

Although an abundance of research exists on the omni-channel topic that focuses on service quality (e.g., Reis, Amorim & Melão, 2018), product returns (Zhang, Xu & He, 2018), a developed market perspective (e.g., Difrancesco *et al.*, 2021; Teixeira, Duarte, Macau & De Oliveira, 2022), the majority of it has been conducted in the USA, Europe, and China (Cai & Lo, 2020) and on the type of purchasing category (Sands, Ferraro, Campbell & Pallant, 2016). However, very few studies have focused on low-income developing market consumers' omni-channel engagement. The 'low-income consumer' is defined in this study according to the socio-economic measure (SEM) super-groups of SEM 1 – 3, which are typically aged between 1 and 35 and have an average income of between R4 417.00 and R8 913.00 per month ($284.00 to $573.00) (PRC, 2020).

Previously, low-income consumers were excluded from consideration when retailers were initiating an online presence because of such consumers' assumed limited access to resources (Dakduk *et al*, 2020). Retailers were also assuming that delivering items to low-income consumers was difficult, given their living circumstances (Kazi, Yokota, Nishikitani & Islam, 2017). Those points highlight why retailers were hesitant to focus on low-income consumers: retailers needed to balance their capabilities, their resources, and customers' expectations (Difrancesco *et al.*, 2021). However, this has changed as more consumers use mobile devices to access the internet (Data Reportal, 2022). This has offered retailers the opportunity to expand their offerings and to consider low-income consumers as part of their strategic focus.

As low-income consumers in the South African context have not been a focus area for omni-channel research, retailers mostly rely on strategies used in developed markets. Given the different consumer markets, challenges, and contexts, a study focusing on low-income consumers' experience with omni-channel retailing is imperative. This study will also look at low-income consumers' omni-channel engagement, specifically with a focus on the FMCG industry, as this industry is increasingly using an omni-channel approach to reach and engage with consumers (KPMG, 2021).

Background

The retailing industry in South Africa is made up of both a formal and an informal sector that service the diverse consumer groups, with the formal sector generating 70% in sales (Masojada, 2021). Although the informal sector contributes towards South Africa's GDP (6% in 2017), with five million individuals working in that sector (Stiehler-Mulder & Mehlape, 2021), this report will primarily focus on the formal retail business sector, as it offers an online an omni-channel experience. South Africa offers more than 2 000 shopping centres, making it the country with the sixth most shopping centres in the world (Masojada, 2021). Most of the formal sector have relied on their offering being within shopping centres; however, given the increasing use of the internet and changing consumer preferences, many retailers have revisited their offerings and have started introducing online platforms (Marketline, 2021a). This is not the only motivating factor for offering online platforms, however: overall, South Africa has experienced relatively slow growth in the sector, with consumers spending less because of the COVID-19 pandemic and additional economic and political factors. For instance, in July 2021 retail trade sales decreased by 11.2% (mostly attributed to the July unrest in KwaZulu-Natal and Gauteng), and in October 2021 retail trade sales decreased again by 1.3% (Stoddard, 2021). This suggests that, while consumers have become accustomed to shopping during a pandemic, other factors are inhibiting the growth of the sector. This has resulted in retailers relying on e-commerce in an attempt to meet the demands of changing consumer preferences and the changing retail landscape.

Globally, e-commerce has shown a steady increase in sales since 2014, with the predicted global sales expected to amount to US $ 7.3 trillion in 2025 (Chevalier, 2022). The industry is made up of various segments: electrical and electronics; food and grocery; apparel; home and garden; and furniture and footwear. The electrical and electronics, food and grocery, and apparel segments have the largest shares in value in e-commerce, accounting for 24.5%, 20.2%, and 14.9% respectively (Marketline, 2021b). Although some of the growth in e-commerce (both globally and in South Africa) can be attributed to the COVID-19 pandemic and subsequent lockdowns, the growth in the industry was visible before the pandemic (Daniel, 2021; Marketline, 2021b). More specifically, retailers realised that the growth achieved in their physical stores would not account for the growth that was required, given the increasing competition. Thus the introduction of online channels and the development of an omni-channel experience was a necessity (KPMG, 2021). In a world now moving into post-COVID-19 conditions, it is suggested that the store of the future will be even more focused on being omni-channel and experience-rich (PWC, 2022). According to KPMG (2021), the FMCG industry in particular is strongly focused on increasing its omni-channel approach(es) to reach and engage with consumers.

The FMCG industry is made up of products that are usually affordable items that are in high demand and are sold repeatedly (CFI, 2022). More specifically, these items are classified as food, beverages, toiletries, cosmetics, and medical products, and can be bought at a range of retailers (Research and Markets, 2022). The FMCG industry has always been a focus because of its high levels of consumer demand and its ability to transform the economy (NPI, 2022). However, owing to the COVID-19 pandemic and the number of consumers increasingly shopping online (Ho, 2021), interest in the industry has amplified. With the FMCG industry being heavily reliant on efficient distribution and communication systems, some might may assume that the sale of FMCG items would be successful in more developed countries than in those in Africa. The truth is quite the opposite: these systems have been developed on the African continent, with a number of retailers using omni-channel retailing to offer an online presence and to enhance the customer's experience (Ho, 2021; NPI, 2022). South African retailers specifically are at the forefront of introducing omni-channel retailing platforms on the African continent (NPI, 2022).

Given the above trends, the increased focus on omni-channel platforms in the FMCG industry is an area in need of further investigation. However, also of importance is a trend that indicates an increase in the number of low-income consumers who are engaging in omni-channel retailing (NielsenIQ, 2021). Thus understanding how low-income consumers use omni-channel platforms to purchase FMCG products is vital – as explained in the next section.

Problem statement

Retailers have recognised the importance of introducing an omni-channel in order to adapt to changing consumer demands in an effort ultimately to increase their market share and competitive position (Ho, 2021; Jin *et al.*, 2020). In the South African context, the growth of omni-channel retailing was enhanced during the COVID-19 pandemic when, as a result of the various lockdown restrictions and concerns for public safety, many consumers turned to online channels (Ho, 2021). Although customers were comfortable with shopping online prior to COVID-19, online shopping grew by 66% in 2020 compared with 2019. This growth exposed a large number of consumers to the convenience that online shopping has to offer (Kibuacha, 2021); and that, in turn, has encouraged retailers to consider online platforms.

Introducing an online platform in addition to existing platforms (e.g. brick-and-mortar) can be regarded as a multi-channel service in which the focus is on providing customers with the opportunity to purchase items via the channel they prefer (Winkler, 2019). Omni-channel differs from multi-channel in that consumers and their expectations are at the core of offering consumers a seamless experience (regardless of the channel) (Davies, 2021; Winkler, 2019). Another specific distinction between the two types of channel is that consumers are able to start the purchasing process (e.g., on a website) but end it seamlessly on another channel (e.g., a mobile app) (Davies, 2021). Therefore, in order to compete effectively, retailers should be focused not only on introducing another channel but also on providing the customer with a seamless experience through omni-channel retailing (Jin *et al.*, 2020; Jocevski, Arvidsson, Miragliotta, Ghezzi & Mangiaracina, 2019).

With more than 70% of consumers shopping online in South Africa, and consumers demanding a satisfying shopping experience and convenience (iKhona, 2022), FMCG retailers have turned to omni-channel retailing to accommodate the needs of their customers (Enders, 2019). However, another noticeable trend is the increase in the number of low-income consumers engaging in omni-channel retailing (NielsenIQ, 2021). This has posed a challenge for FMCG retailers, as there has been a lack of research on consumers' decision-making processes in emerging markets, let alone those of low-income consumers. The existing research predominantly focuses on developed countries, which makes the findings difficult to apply in an emerging context where the challenges differ (Teixeira, Duarte, Macau & De Oliveira, 2022). Given the increasing number of low-income consumers using omni-channel retailing, this motivates the need to understand better the consumer decision-making process and the holistic shopping journey of low-income consumers across channels when purchasing from FMCG retailers. The research question and accompanying research objectives outlined below have therefore been developed.

Research question and objectives

Research objective / Main area of exploration

To explore and describe the holistic shopping journey through low-income customers' perceptions of their online/offline integration experience with FMCG retailers.

Areas of exploration

AoE 1: To differentiate between low-income customers' intentions towards online and/or in-store purchases at FMCG retailer/brands

AoE 2: To explore low-income customers' product search phase in their shopping journey towards purchasing from an FMCG retailer/brand

AoE 3: To analyse low-income customers' ease in the online journey with FMCG retailers//brands

AoE 4: To contrast the payment platforms and methods used by low-income customers in their FMCG shopping journey

AoE 5: To interpret low-income customers' perceptions of the timeliness and product delivery experience with FMCG retailers/brands

AoE 6: To describe low-income customers' experience when using products from FMCG retailers/brands

AoE 7: To evaluate low-income customers' perceptions of their holistic shopping journey with FMCG retailers/brands

AoE 8: To reveal low-income customers' perception of the overall experience with the FMCG retailer/brand

LITERATURE

The increasing use of the internet has resulted in changes in consumers' shopping behaviour. Historically, consumers were content to purchase their products in a physical store. However, as consumers have become accustomed to using the internet, their expectations have changed (Gao & Su, 2017). More specifically, consumers expect a seamless shopping experience, regardless of the shopping channel they choose to use. This suggests that retailers should ensure that their offerings and strategies align with consumer expectations (Jaeckel & Yen, 2019). This literature review therefore begins with an outline of the e-commerce sector in South Africa, detailing how it has grown and evolved, followed by an explanation of what omni-channel retailing entails, omni-channel retailing in South Africa, and the FMCG sector and omni-channel retailing in South Africa, and concludes with omni-channel retailing among low-income consumers.

Omni-channel retailing

Defining omni-channel retailing

Digitalisation has caused disruptions in many industries, and the retail sector is no exception. In response to changing consumer demands, retailers began by creating different digital channels from which consumers could purchase and engage with the retailers; this is known as multi-channel retailing (Do Vale, Collin-Lachaud & Lecocq, 2021). New technology and changes in consumer behaviour, however, have forced retailers to change their offers by building bridges between the different digital channels; this can be referred to as 'business model hybridisation' (Do Vale *et al.*, 2021), and today is more commonly known as omni-channel retailing. Omni-channel retailing is regarded not only as a new business model (Jocevski, 2020), but also as a hybrid business model, because it combines two different business models into one: the physical and the digital (Do Vale *et al.*, 2021). Table 1 provides a summary of different definitions of and references made to omni-channel retailing.

Table 1: Omni-channel definitions

OMNI-CHANNEL DEFINITIONS
"… consumers demand a smooth transition between these channels, thereby driving the retailers to implement cross-channel functionalities, which are referred to as omnichannel retailing strategies." (Brynjolfsson, Hu & Rahman, 2013, in Jin *et al*, 2020)
"In omni-channel retailing, firms are able to interact with customers through countless channels, such as websites, physical stores, mobile devices, kiosks, televisions, social media, and more. The aim of omni-channel retailing is to provide customers with a single seamless shopping experience across all the channels." (Rigby, 2011, in Li, Zhang & Tayi, 2020)
"New technologies such as smart mobile devices, social network services, and in-store technology solutions have blurred the boundary between online and offline channels, foretelling the future of retailing, i.e., omni-channel retailing (Grewal, Roggeveen & Nordfält, 2017), in which consumers are able to navigate between channels seamlessly." (Verhoef, Kannan & Inman, 2015, in Li, Li, Tayi & Cheng, 2019)
"an integrated sales experience that melds the advantages of physical stores with the information-rich experience of online shopping." (Rigby, 2011:67)
"Omni-channel provides customers with a seamless shopping experience across channels that leverages their physical store network." (Verhoef et al., 2015, in Difrancesco *et al.*, 2021)

"Omni-channel (OC) retailing strategy provides consumers with seamless shopping experience by integrating different sales channels." (Momen & Torabi, 2021)
"Moving toward omni-channel retailing involves rethinking the value proposition in a way that offers a 'seamless experience' for customers (Rigby, 2011) across both digital and physical channels." (Do Vale *et al.*, 2021)

In summary, based on the above definitions, 'omni-channel retailing' refers to consumers experiencing the retailer's sales channels (e.g., mobile, in-store, website) in a seamless manner – meaning that consumers are able to suspend a purchasing process on one channel and resume it seamlessly on another.

Omni-channel retailing explained

Li *et al* (2019) explain that omni-channel retailing is rooted in the channel integration literature, which consists of two streams: fulfilment integration and information integration. Fulfilment integration is focused on logistics, distribution, and inventory management (Li *et al.*, 2019), such that the entire supply chain is adapted to reflect a customer-centric supply chain that is able to fulfil demand from anywhere in the network (Difrancesco *et al*., 2021). Information integration, on the other hand, is focused on inventory information, price information, and showroom presentation information (Li *et al.*, 2019), with the same pricing strategy being guaranteed across channels, and with the retailer ensuring that a seamless shopping experience is created across channels.

The ultimate value of omni-channel retailing to the consumer is essentially the provision of information integration and interaction among channels, but this comes at an integration cost to the retailer (Momen & Torabi, 2021). Retailers are therefore constantly analysing which items should be fulfilled from which facilities to ensure minimum cost and maximum profits (Difrancesco *et al.*, 2021). In addition to the challenge of optimal fulfilment, an omni-channel retailing model – because it is a new hybrid business model – also presents retailers with the need to incorporate additional resources, competencies, and organisational processes; and, in order to execute an omni-channel business model successfully, an organisation needs to adopt a systemic perspective. More specifically, the deep involvement of its human resource, supply chain, and marketing communications departments is required as they work together holistically to secure an integrated approach (Do Vale *et al.*, 2021).

Omni-channel retailing can be further classified into three specific areas, with each area consisting of two sub-possibilities for product fulfilment: *online to offline* (Hu, Xu, Xue & Yang, 2018), *offline to offline* (Momen & Torabi, 2021), and *offline to online* (Hu *et al*., 2018). With regard to *online to offline*: the delivery of information takes place online with the fulfilment of the product online, the product is bought online, and is then collected offline in-store (referred to as 'BOPS' – **b**uy-**o**nline-**p**ick-up-in-**s**tore); or the product is bought online and shipped from the store (Hu *et al*., 2018). *Offline to offline* includes OSDH – **o**rdering-in-**s**tore-**d**elivery-to-**h**ome. In both previous examples, what is known as a retailer's **s**hip-**f**rom-**s**tore (SFS) strategy is used (Difrancesco *et al.*, 2021). With regard to *offline to online*: the consumer receives the information offline (being in-store), then orders the product online, or showrooming may take place (Li, Zhang & Tayi, 2019). 'Showrooming', in the specific context of omni-channel retailing, refers to the physical inspection of the product offline in-store, and then purchasing it online at the same store.

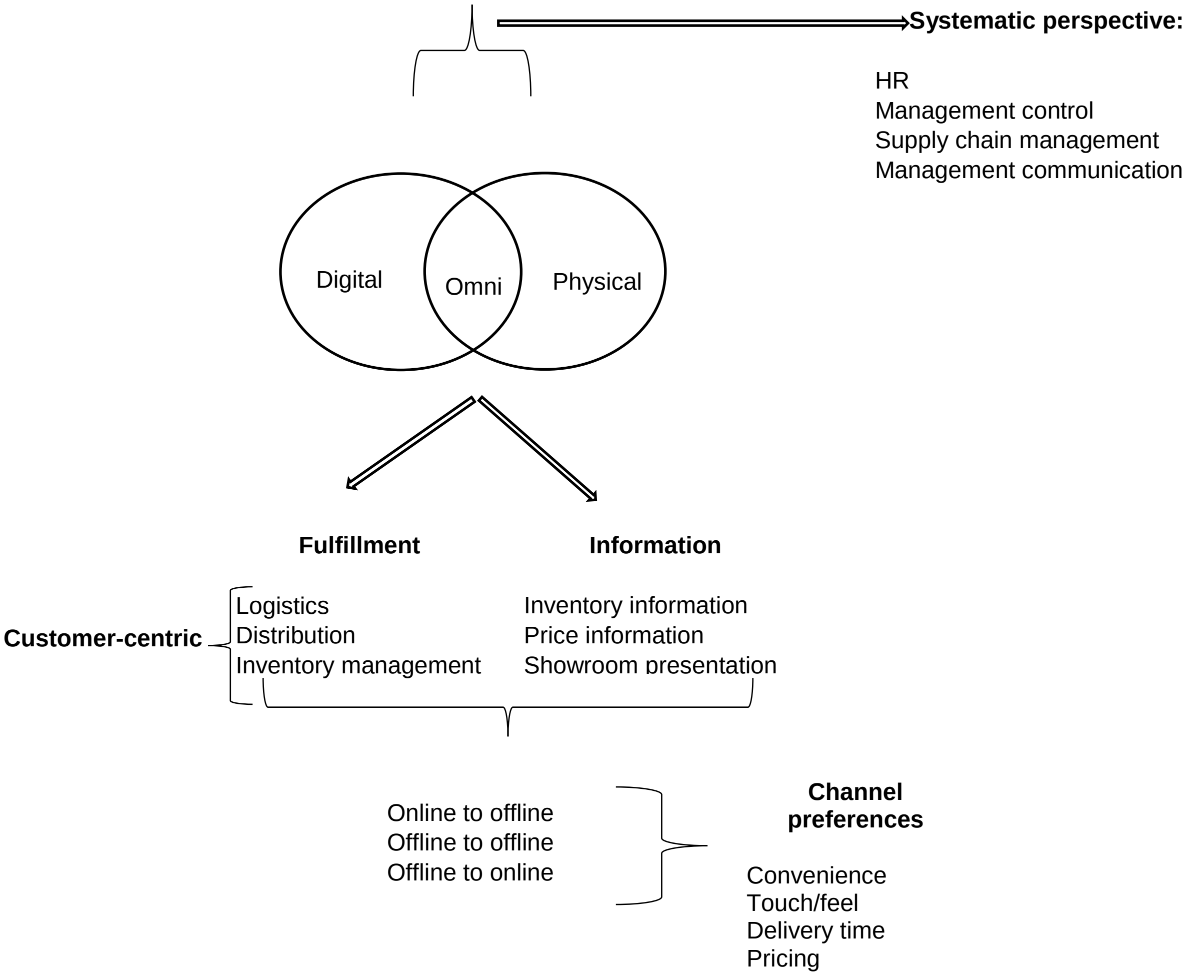
Showrooming in an omni-channel context is therefore not the same as the 'showrooming' principle proposed by Mehra, Kumar and Raju (2018), where the product is inspected offline and then bought from a completely different retailer. Showrooming also consists of two potential types of showrooming: intra-product and inter-product. 'Intra-product showrooming' refers to the physical inspection of a product, and then buying exactly the same product online; while 'inter-product showrooming' refers to the physical inspection of the product offline but purchasing a different or related product online (Li, Zhang & Tayi, 2019). In contrast to 'showrooming', there is also the concept of 'webrooming', which refers to reviewing products online and then purchasing them offline (Li *et al*, 2019).

The specific areas and behaviours discussed above exist as a result of consumers' channel preferences. Some might prefer online because of the convenience associated with it or because they are time-poor, while others might prefer offline because they like to inspect, touch, and feel products (Momen & Torabi, 2021). However, other aspects play a part in consumers' decisions to purchase through different channels: The price of an item plays an important role, as do the delivery lead time (DLT) and the return policy.

The delivery lead time is arguably so important to customers that one study identified that 67% of customers were willing to pay more should the item be delivered on the same day (Momen & Torabi, 2021). Consumers review retailers' return policies. According to Hu *et al*. (2018), 51% of consumers avoid shopping at retailers with strict return policies, and 63% of consumers will not return to a retailer if they have a negative return policy. These statistics are from the United States of America, but suggest the importance of also considering the implications of the return policy for customers' willingness to purchase, and its overall role in creating a seamless omni-channel experience with the retailer. It is further argued that a good return policy can increase customer trust in the retailer (Oghazi, Karlsson, Hellström & Hjort, 2018), and is therefore an important consideration in the omni-channel experience process.

Based on the above discussions and on the analysis of the different omni-channel definitions provided earlier, the figure below has been developed to demonstrate visually the omni-channel process with its identified factors and supporting elements.

Figure 1: Omni-channel process



Omni-channel retailing in South Africa

Prior to 2020, the e-commerce industry in South Africa was dominated by purely online retailers (e.g., Takealot) that did not offer an offline presence (Deloitte Digital, 2021), and the industry was seen to be in its infancy stage, accounting for 1.4% of the total retail spend in 2019. However, the COVID-19 pandemic has accelerated the growth of this industry, with e-commerce spending growing by 30% in 2020 (IOL, 2021). This was because consumers had restricted access to traditional brick-and-mortar stores because of the pandemic (Kibucha, 2021). This shift has resulted in consumers becoming more comfortable with online platforms, which has piqued the interest of traditional (offline) retailers in South Africa (Abe & Mugobo, 2021; Deloitte Digital, 2021).

As mentioned earlier, introducing an online shopping platform can be regarded as a multi-channel retailing approach through which customers are able to make purchases via their preferred platform. However, as customers become increasingly comfortable with using digital platforms, and as there is increased competition among all retailers, the focus should be on providing a blend of offline and online shopping experiences through omni-channel retailing (Deloitte Digital, 2021). Abe and Mugobo (2021) add that the interest in omni-channel retailing is set to become permanent, thus encouraging retailers' interest in introducing omni-channel retailing in an effort to encourage sales and improve the consumer's experience (Dawson, 2022).

In the South African context, it was a challenge for retailers to streamline their offerings and manage their supply chains effectively in responding to the COVID-19 restrictions (Weber, 2021). But the increased interest in an omni-channel experience (Deloitte Digital, 2021) has encouraged retailers to understand better how to offer a seamless shopping experience through omni-channels. Understanding the consumer decision-making process is key to understanding how and why consumers choose to use omni-channel retailing (Mishra, Singh & Koles, 2021). The FMCG industry in South Africa has shown particular interest in understanding their customer to enhance the customer's omni-channel experience (KPMG, 2021).

The South African FMCG sector

The key FMCG retailers in South Africa are Pick n Pay, Checkers, Woolworths, Dis-Chem, and Clicks (Ho, 2021; NPI, 2022). These retailers offered an omni-channel experience prior to COVID-19; however, the increased interest in online shopping has encouraged retailers to improve their omni-channel platforms in order to enhance the customer's experience (KPMG, 2021). In addition, the growth of omni-channels among FMCG retailers is attributed to the following trends:

- Shopping trips have become less frequent – from an average monthly shopping trip frequency of five down to three; however, basket sizes and value have almost doubled (NielsenIQ, 2021).
- Digital innovation, the COVID-19 pandemic, and sustainable and healthy habits have increasingly influenced the FMCG industry. Digitalisation in particular has empowered consumers, as they are now able to review, compare, and scrutinise products endlessly before making a purchase (Statista, 2021a).
- Consumers demand digital-first experiences from FMCG retailers that allow them to compare items easily online (Ho, 2021).
- Omni-channel retailing extends the possibilities of reaching different consumer groups. For instance, low-income consumers are becoming a key focus for retailers that offer an omni-channel experience, as these consumers are driving online and in-store purchases (NeilsenIQ, 2021).
- Owing to increased pressure on consumer spending, consumers encourage competition among retailers that are attempting to reach as many customers as possible using a range of platforms (Research and Markets, 2021). Thus omni-channel retailing has helped retailers to obtain market share through digitalisation and given them a strategic competitive advantage (Ho, 2021).
- Price is a major concern, especially among low-income consumers, with 55% of them willing to switch to a cheaper product if needed (Ho, 2021). Therefore, with omni-channels offering customers the ability to save money, their popularity has increased. For example, Checkers Sixty60 reports that consumers save 33% on fuel and vehicle running costs by using their Checkers Sixty60 app and paying the R35 delivery fee (Steyn, 2022).

Against the background of these trends, contextualising who the target consumer is for an omni-channel experience is important. NielsenIQ (2021) has suggested that low-income consumers are becoming the focus segment for retailers that offer omni-channel retailing, while Atwal and Bryson (2021) add that low-income consumers can lead to untapped opportunities to make a profit. Mishra *et al.* (2020) have highlighted the importance of socio-economic factors such as income as a key research focus in understanding omni-channel retailing.

Omni-channel retailing among low-income consumers

The size of the low-income market represents great potential for retailers (Atwal & Bryson, 2021). A study by Zanini, Filardi, Villaça, Migueles and Melo (2019) found that low-income consumers predominantly selected shopping centres that offered lower prices, more promotions, a wide selection of shops, a leisure area, and more restaurants and parking. However, this study was conducted prior to the COVID-19 pandemic, which was found to accelerate the use of online shopping platforms among all consumer groups (Abe & Mugobo, 2021; Deloitte Digital, 2021; Euromonitor, 2021a), particularly low-income consumers (NielsenIQ, 2021).

Because low-income consumers represent a focus segment for omni-channel retailers (NielsenIQ, 2021), understanding those consumers' behaviour in omni-channel retailing is imperative, as it gives retailers the opportunity to develop their marketing strategies appropriately (Mishra *et al.*, 2020). Historically, low-income consumers have been exposed to a range of challenges that hindered their online shopping access; however, these challenges are gradually being addressed, creating opportunities for retailers that look to service this segment with their omni-channel offerings.

- There is a serious digital divide in South Africa, where it is often reported that low-income consumers pay more for data than wealthier consumers do. The South African government has attempted to alleviate the divide by proposing various strategies, and the Competition Commission has ordered mobile operators to decrease their pricing (Gillward, 2020). In addition, the government has reiterated its plan to offer free data to low-income consumers (BusinessTech, 2022a), which suggests that access to data may soon be a challenge of the past.
- The majority of low-income consumers reside in South African townships (Live Moya, 2022), which poses a challenge to delivery services. However, this has been addressed through the emergence of new players such as Yeb-Fresh and Yethu – community-driven shopping services that deliver essential groceries at affordable prices (Euromonitor International, 2021a).
- Travel costs are a major consideration for low-income consumers. If consumers had to travel significant distances (thus increasing the cost to them in time and money) in order to purchase the items they would like, they would be more likely to consider alternative shopping methods. Travel costs are also impacted when certain retailers do not have sufficient stock available (Rogerwilco, 2021). With the cost of transport expected to increase constantly, the use of online shopping is considered an appropriate alternative to visiting offline stores (Steyn, 2022).

Therefore, given low-income consumers' increased exposure to online shopping because of the COVID-19 pandemic, further research into this segment and their use of omni-channel retailing is needed, in an effort to understand how retailers might best serve this segment through their omni-channel approaches.

METHODOLOGY

All research should conform with certain implicit philosophical assumptions that suggest what constitutes 'valid' research and the most applicable research method(s) to be chosen to develop knowledge in a given study (Antwi & Hamza, 2015). Selecting the research methodology for a given study depends, among other things, on the paradigm that guides the research. Paradigms, in their meta-theoretical meaning, are not theories, but are the research orientations that underlie theories and that are seen as cognitive belief systems or worldviews through which scientific research is conducted (Möller & Halinen, 2022).

This section outlines the implicit philosophical assumptions and the resultant methodological choices in developing knowledge in this study. These philosophical assumptions, or what Krauss (2005) refers to as 'a theoretical paradigm regarding the nature of reality', are central to appreciating the overall viewpoint from which the research study is derived and conducted. Building the methodology of a study begins with a standpoint on a number of questions. The researchers acknowledge the confusion over terminology attached to research, with its multiplicity of terminology classifications that result in confusion about the meanings and application of the terminology in the conceptual levels of understanding. Therefore, Table 1 provides the philosophical underpinnings and their resultant application to this study.

Table 1: Selection of the philosophical underpinnings of this study

Philosophical underpinning	Application to this study
Theoretical paradigm	Interpretivist paradigm
Nature of reality	Relativist ontology
Nature of knowledge and how it is experienced	Subjectivist epistemology
Methodological approach	Naturalist methodology

The discussion in this section begins with an account of the philosophical underpinnings of the study. This is followed by a discussion of the research methodology, including the methodological choices concerning the research approach and design, the sampling strategy, the data collection, and the data analysis strategy. The section concludes with a discussion of how trustworthiness was ensured to produce 'valid research' through this study.

An interpretivist paradigm for inquiry

Bird (2020) argues that a theoretical paradigm of the nature of reality is central to constructing and interpreting the overall stance from which a study is designed and pursued. This study is positioned on the continuum (Denzin & Lincoln, 2021) of the theoretical lens (paradigm) towards interpretivism. Central to the interpretivist paradigm is comprehending the subjective reality of human experience (Kelly, Dowling & Millar, 2018). Creswell and Poth (2016) argue that, in the interpretivist paradigm, researchers prioritise an in-depth understanding of the phenomenon, by taking into consideration its complexity in its particular context, rather than attempting to generalise the understanding of the phenomenon to a broader population. The interpretivist paradigm assumes a relativist ontology, a subjectivist epistemology, and a naturalist methodology (Kivunja & Kuyini, 2017).

A *relativist ontology* in the interpretivist paradigm implies that research – such as in this study – is undertaken from a subjective reality perspective. Therefore, it assumes that interpretations are likely to be unique from participant to participant and to be shaped by individual experiences, social strata, value systems, and biases (Myers, 2019). An *interpretive paradigm* further assumes a subjectivist epistemology that is based on real-world phenomena (Gannon, Taheri & Azer, 2022). This means that meaning is constructed from data gathered within the natural settings investigated with the researcher as a participant observer (O'Donoghue, 2018) (*naturalist methodology*) and that data is analysed through cognitive processes informed by interactive processes with participants (Kivunja & Kyini, 2017).

Against the background of the philosophical underpinnings of this study, the next section focuses on the research methodological choices and the justifications thereof for the purpose of this study.

Research methodology

The correct choice of an appropriate research methodology is central to conducting effective scientific research. It is predominantly based on linking the research objectives (areas of exploration) and philosophical underpinnings to the characteristics of the most applicable research methodologies. According to Ling (2020), the research methodology includes selecting the research approach, explaining the research design, and determining the participants, the data to be collected, the methods and tools for data collection, the data analysis methods, and the adopted approach's general style.

The research approach

The *research approach* refers to whether the particular study will apply a qualitative, quantitative, or mixed-method approach (Gaus, 2017). This study adopts a qualitative research approach to explore and describe the holistic shopping journey through low-income customers' perceptions of the online/offline integration experience with FMCG retailers. Using a qualitative approach has many advantages that relate to this study, including its exploratory nature, individual contact with participants to provide an in-depth understanding of the phenomenon, and flexibility (Chang, Chang & Liao, 2020; Bouncken, Qiu, Sinkovics & Kürsten, 2021; Köhler, Smith & Bhakoo, 2022).

When conducting qualitative research, Kennedy and Thornberg (2018) argue that scholars should reflect on the relationship between the collection and the analysis of the data and on that between data and theory. Accordingly, Kelle (2014) argues that qualitative scholars have to consider two opposite perspectives when it comes to the complex relationship between data and theory – namely, the commonly recognised epistemological belief that earlier insights and existing knowledge should be inherent to empirical research; and that one's social construction (including life, its meaning, its actions, and how it is composed) is continually altered and redefined. Thus Kennedy and Thornberg (2018) caution scholars to be simultaneously open to exploring the unfamiliar and the unexpected and to being cognisant that being open could be constrained by their own theoretical predispositions. This interconnection between the collection and the analysis of data and between theory and data can be regarded as referring to a deductive, inductive, and/or abductive approach to reasoning (Bellucci & Pietarinen, 2020).

Research reasoning approach

Reichertz (2019) explains inductive reasoning in the first instance as an explicit theory, and scrutinises how the raw data confirms the theory. Thornberg and Charmaz (2014) add that inductive logic consists of extrapolating conclusions only from data. Reichertz (2019) supports this notion, and argues that induction is closely related to the data and can reveal new knowledge that goes beyond existing knowledge and conclusions. The contrast between inductive and deductive reasoning is described by Hammersley (2019): inductive reasoning derives concepts from a corpus of data, whereas deductive reasoning develops concepts from a priori theory.

Deductive reasoning can be described as the process of deriving particular extrapolations from general principles (Karlson, Hillestad & Dysvik, 2021). Deduction in this context therefore refers to reasoning that starts from reasons and looks for consequences (Magnani, 2005). Veen (2021) summarises the meaning of deductive reasoning: it is "the development of a conclusion based on generally accepted premises, statements, or facts. It is the construction of a conclusion from an observation, because we treat the observation as a case of rule" (Veen, 2021, p.1175).

Where induction shows that something *actually is*, and deduction proves that something *must be*, abductive reasoning suggests that something *possibly is* (Arrighi & Ferrario, 2008). Magnani (2005) explains abduction as the process of arguing particular evidence that gives some plausibility, to illuminate some ultimately new occurrence or observation. Similarly, Mirza, Akhtar-Danesh, Noesgaard, Martin and Staples (2014) argue that abductive reasoning results in generating hypotheses, explanations, or theories. It is important to note that, in research, abduction is not restricted to or associated with any specific methodology (Karlson *et al.*, 2020). Veen (2021) simply but clearly states that abduction is the process of inferring the best possible explanation of what is observed in research. This study uses an abductive approach on a methodological level as opposed to an object level, because it uses abduction as a qualitative data analysis approach, not for abductive reasoning per se. Abduction for the purpose of this study therefore involves a process that moves between empirically laden theory and theory-laden empiricism, implying a reading between the lines when it comes to the findings and conclusions of the study.

Research design

As per Ling (2020), the next step in discussing the research methodology is to discuss the study's research design. This study followed an exploratory-descriptive research design, as the review of the literature identified a deficit of knowledge, and therefore justified the need for further research (Hunter, McCallum &

Howes, 2019) into the holistic shopping journey of low-income customers and their perceptions of the online/offline integration experience with FMCG retailers.

Sampling

As this study uses an exploratory-descriptive research design, it follows the guidance of Hunter *et al.* (2019) in employing purposive sampling. This method was selected to ensure a better matching of the sample to the areas of exploration in the study, thereby improving its rigour (Campbell, Greenwood, Prior, Shearer, Walkem, Young, Bywaters & Walker, 2020). To ensure the best matching of the sample in this study with the overall aim and areas of exploration, a research company, The Culture Foundry Co. (CF), was approached to collect the data according to a brief that was developed, in alignment with the project's objectives. Therefore, the sample description included those aged 18 – 45 who earned between R4 417.00 and R8 913.00 per month before tax and deductions, who had access to a microwave oven, television, the internet, and newspapers, and who were based in Gauteng. That sample description was provided to the CF, as it fitted the SEM profiles of Supergroups 1 – 3, which represent the low-income bracket (BRCSA, 2018).

The demographic profile of the final sample of participants in the study is outlined in Table 2.

Table 2: Participants' demographic profile

Age	
18 – 25	7
26 – 35	10
36 – 45	8
Total	25
Race	
Black	20
White	1
Coloured	3
Indian/Asian	1
Other	0
Total	25
Gender	
Female	13
Male	12
Total	25

Data collection

Data was collected using CF's digital platform, which was developed by them to overcome COVID-19 challenges. This is a brand-new desktop- and mobile-user-friendly platform on which the developed questionnaire was posted for the participants to complete. A total of 19 open-ended questions were posed to the participants. The exact questions that addressed each AoE are detailed in the results section that follows. The sample as described above was invited to participate and to answer these questions in the form of extensive written responses. In order to incentivise participation, participants were paid R400 only if a complete and detailed response to the questions was received. Participants were secured during February 2022, and the data was collected over one week during March 2022.

Data analysis

The data was analysed using an abductive approach (as detailed in the research reasoning approach section above). Earl Rinehart (2021) views the abductive data analysis process as one in which researchers immerse themselves, deliberately moving away from the deep analysis of evidence to be open to possibilities of interpretation. This approach allowed the researchers to identify information that was either in coherence with or in contrast to the existing literature, as well as the opportunity to identify new potential insights. The written responses were coded using the principle of constant comparison, and open and axial codes were developed (Murphy, Klotz & Kreiner, 2016).) Open coding is the assigning of direct codes to recorded written responses so that the direct meaning may be derived. Axial coding involves the categorisation of the open codes according to their structural and logical similarities (Pandey, Singh & Pathak, 2018).

According to Vila-Henninger, Dupuy, Van Ingelgom, Caprioli, Teuber, Pennetreau, Bussi and Le Gall (2022), what distinguishes abduction from pure induction is that the phenomenon under study does not intrinsically include an explanation, and neither does it establish a novel understanding of an already known general rule (that is, deduction); abduction is, rather, a combination of both. Therefore, abduction is regarded by scholars such as Wagner-Pacifici, Mohr and Breiger (2015) and Goldberg (2015) as part of the movement that highlights a false dichotomy between inductive and deductive analysis. Consequently, according to Vila-Henninger *et al.* (2022), abduction is distinct from both deduction and induction, but brings together facets of both inference types. Thus they refer to abductive analysis as the creative, iterative process between “theoretically surprising cases” and “tentative explanations”.

Against the backdrop of this explanation of abductive analysis, for the purpose of this study it was iteratively applied to the written responses of the open-ended questions in the questionnaires as follows. The first step was to discover codes that were similar to existing literature findings (tentative explanations), and the second was to explore codes that represented new insights or knowledge (“theoretically surprising cases”). Based on the advice of Busetto, Wick and Gumbinger (2020), co-coding was done: the transcripts from the questionnaires were independently coded by two experienced coders, during which the codes were iteratively compared and consolidated. This was done to ensure that the codes were consistently applied to the data.

More specifically, this process started with open coding, which ‘opens’ the analysis. For Kuckartz (2014), open coding is when data is carefully processed and then developed into preliminary concepts and dimensions. According to Charmaz (2006), these initial codes are temporary, comparative, and substantiated by the data. The coding was then refined by using axial coding to explore links between the categories and to delve into the data for identifiable perceptions, processes, schemes, and relationships. From the axial coding, the overall themes were decided on and developed.

Trustworthiness

As this study was conducted using an interpretivistic approach to qualitative inquiry, Guba and Lincoln's (1994) four criteria for trustworthiness are used rather than the positivistic criteria (Anney, 2014). The four criteria of trustworthiness are credibility, transferability, dependability and conformability (Murphy *et al*., 2016). According to Stahl and King (2020:26), credibility to ensure trustworthiness refers to the question, "How congruent is reality with the findings?" Arguably, one of the most important methods to ensure credibility in qualitative inquiries is through the various processes of triangulation. Triangulation involves the appreciation of simultaneity and the multiplicity of frames of reference (Atkinson & Delamont, 2006), thereby addressing the phenomenon from multiple directions and using a variety of researchers in order best to ensure an accurate description and presentation of a given situation (Rose & Johnson, 2020). For this study, investigator triangulation and theoretical triangulation were emphasised. Investigator triangulation was ensured through each of the two members of the research team fully evaluating the data gathered by the external company and extracting conclusions that were then shared and analysed by them. To ensure theoretical triangulation, multiple theoretical orientations to understand the findings were employed, and they are made evident in the results section.

By design, the purpose of qualitative research is not replicability; therefore, Guba and Lincoln (1994) argue, transferability refers to patterns and descriptions from one context that may be applicable to another. Not unlike quantitative research, qualitative research seeks to expand knowledge by transferring the findings from one context to the next. According to Stahl and King (2020), transfer is only possible when thick description provides a rich portrayal of the research process, including detailed contextual information.

In this study, the participants have been stipulated and described in detail, including the documentation used by the external research company to ensure the exclusion of participants who would have influenced the data collection. Furthermore, the methods and time frame of the data collection have been fully described to improve the degree to which this study might have application in other contexts. It is against this backdrop that this study calls for future research to establish the results' applicability in other contexts. The results are also integrated with previous findings in the literature, and the number of similarities found (using the research results) serves as an indication of the potential for transferability.

'Dependability' refers to ensuring consistency in the analysis, while 'confirmability' refers to remaining neutral in the assessment (Panday *et al*., 2018). Two researchers jointly analysed the data, compared the findings, and discussed and refined the final themes. This allowed for the removal of any potential biases, and also ensured that a consistent and neutral approach was followed.

ANALYSIS AND FINDINGS

The main and sub-areas of exploration are restated below, together with the findings extracted from the data using an abductive approach.

Main area of exploration (AoE)

The key area of exploration is to explore and describe the holistic shopping journey through low-income customers' perceptions of their online/offline integration experience with FMCG retailers.

Sub-AoE 1 To differentiate between low-income customers' intentions towards online and/or in-store purchases at FMCG retailer/brands

- Questions asked and interpretation

Q: Why did you purchase your groceries specifically online? What motivated you?

The main theme that emerged from this question was convenience. Seeking convenience, however, was driven by different things: a main aspect was saving time, while other aspects ranged from health concerns (avoiding COVID-19 infections) to avoiding crowded stores, having a baby (it's not ideal to travel with / take a baby to a store), mood (being lazy or tired – working long hours), not wanting to engage or be surrounded by other people, not liking going to the mall; but also, interestingly, there were a few participants who specifically stated that online shopping was more cost-effective in respect of travel (specifically referring to taking an Uber vs paying online for delivery). Some mentioned being motivated by promotions such as online sales and discounts, but this was not a strong theme.

- Quotes

P4: "Honestly, it's the time that I don't have and it's one less thing to think about. From a price perspective, because I don't have a car it's actually cheaper than Ubering. I also am much more cautious these days about interacting with people more than I have to, because we are still in a pandemic."

P7: "I work 6 days a week and I really needed to do something that just didn't want me to be around people, especially when I'm tired."

P10: "What motivated me is the fact that I knew I will get everything i want on their app, that also saved me the time and extra money to go to the store myself. I had to do other things as well so my time was saved."

P15: "It saves time and [there] is no queues."

P19: "The convenience, especially when I don't have time to stand in [queues] or I need quick groceries for a specific meal or when I'm just too lazy to get items. It's also cheaper than taking a Uber or driving there. Gives me time to multitask. I'm also able to know when a product is out of stock before going to the shops."

P2: "At the time [my] baby was still small and it was more [convenient] doing online shopping to avoid crowded shops."

- Summary of AoE 1 findings

Sub-AoE 1 To differentiate between low-income customers' intentions towards online and/or in-store purchases at FMCG retailer/brands	
Question	**Findings**
Why did you purchase your groceries specifically online? What motivated you?	Convenience (largest to smallest themes) • Saving time • Travel cost • Mood (lazy / tired – working long hours) • Avoiding queues • Avoiding crowding (health – COVID-19)

In their study, Mirhoseini, Pagé, Léger and Sénécal (2021) stated that FMCG product categories such as online grocery shopping are overwhelmingly convenience-orientated. This finding is therefore consistent with the previous literature. The finding pertaining to the first and most prominent sub-theme (under the convenience theme), 'saving time', is also consistent with the findings of research by Momen and Torabi (2021). The second theme, pertaining to travel cost, seems to be a phenomenon very specific to this market: it was found in previous studies that delivery fees play a role in consumer channel preferences (Mirhoseini *et al.*, 2021), but it was not found to be a significant contributor. Many participants in this sample referred to using Ubers to do their shopping, as they did not have their own transport or vehicles. In a recent article in *BusinessTech* it was reported that an online shopping delivery fee of R35 is around R17 less than a short trip with an Uber (R52.57); this was specifically calculated in the context of Checkers' 'Sixty60' service within a seven-kilometre radius (BusinessTech, 2022a). This suggests why consumers might have indicated that this is a more affordable alternative to travelling themselves. With current petrol price increases and further petrol price hikes expected (Comins, 2022), attractive online shopping delivery fees could become even more attractive. The theme "mood (lazy/tired)" could be because South Africans in this income bracket refer to working long hours; but being in particular lazy to leave one's house and therefore deciding to shop online is consistent with previous findings (Aryani, Nair, Hoo, Hung, Lim, Chew & Desai, 2021). The themes pertaining to avoiding queues and crowding might also relate to the larger theme of saving time (not standing in queues), while the avoidance of crowding (health – COVID-19) specifically is evident in the fact that online shopping in South Africa increased during the COVID-19 pandemic (Marketline, 2021b).

Sub-AoE 2 To explore low-income customers' product search phase in their shopping journey towards purchasing from an FMCG retailer/brand

- Questions asked and interpretation

Q1 : What motivated you to choose this specific retailer/brand to purchase your goods online from?

The largest motivator in respect of store choice was 'speed of delivery', and therefore it was the largest theme to emerge. This was followed by smaller themes: product range available, familiarity with the physical store/brand, familiarity with the offers, sales, and promotions (price), ease-of-use of the online application, and advertising awareness (TV or social media adverts that prompted them to try it).

P8: "*For me it's because the delivery was fast and nearly packed*"

P11: "*I chose this retailer for convenience. The store has all the specific brands I look out for in products, delivery is fast, and [they] always have affordable and fresh products I need and use regularly.*"

P13: "*They have more sales online and their delivery is quick.*"

P15: *"It is fast and reliable."*

P23: *"I have used plenty time[s] in the past, it's quick and easy."*

Q2 : When it comes to these types of products (groceries, toiletries, cosmetics, cleaning supplies, over-the-counter medications, etc.), are there certain products you are more willing OR less willing to purchase online (instead of in-store)? Please explain your reasoning.

The greatest number of participants answered about what they were least willing to buy online. The strongest reluctance emerged for purchasing medication online (the largest theme). Participants' reasons varied under this theme. Some referred to scripts being packed incorrectly or medicines being substituted by generics; that they are often urgently needed (the person might be ill) and they cannot wait for the delivery; or that they prefer to go to the pharmacy in person when ill for a personal assessment and explanation. One respondent commented that he/she would purchase medication online if the returns policy were simple and easy to use. The second theme included cosmetics such as make-up: participants felt the need physically to feel and see textures and to test colours on themselves. The third theme was fresh food such as vegetables and meats. The reasons were twofold: first, because of fear of the goods going off (becoming rotten or being damaged) because of delayed delivery or the delivery process itself; and second, the need to see these goods in person and to select exactly the fresh items they wanted.

- Quotes

P3: "Medications is something I'm not willing to buy online as it doesn't arrive on time when needed."

P10: "Yes. I prefer buying medication in store because sometimes a mix up can happen when it comes to these important things and it's better to go there in person and avoid getting the wrong medication."

P4: "If I could get everything delivered in one place I would. I have a trouble with getting OTC medication delivered, especially a script, and it pains me to make time to go in and purchase (especially having to stand in queues with people that don't social distance). As long as the return policy and system is easy I'd prefer everything to be online and don't have a problem with buying anything online."

P5: "I am less willing to purchase groceries online because of the time they took [for] delivery, so i would rather order product like cleaning products because, even if they take longer to deliver, it wouldn't affect much of the household, unlike food, because with[out] food people are going starve."

P7: "Yes, there are my cosmetics because I actually need to test them on my skin. As well as perishable foods, I want to get my food fresh just in case problems occur. However, as for others they should bring them to me."

P9: "I think i regret buying bread cos it wasn't in a good state when it arrived. So i don't think I'll order bread online again. I rather buy in-store."

- Summary of AoE 2 findings

Sub-AoE 2: To explore low-income customers' product search phase in their shopping journey towards purchasing from an FMCG retailer/brand	
Question	**Findings**
Q1: What motivated you to choose this specific retailer/brand to purchase your groceries online from?	• Delivery speed • Product range, familiarity, price, application ease-of-use, advertisements
Q2: When it comes to these types of products (groceries, toiletries, cosmetics, cleaning supplies, over-the-counter medications, etc.), are there certain products you are more willing OR less willing to purchase online (instead of in-store)? Please explain your reasoning.	Least willing to buy online: • Medication, cosmetics • Perishables (fresh food, meat)

The need for speedy delivery is consistent with previous studies. In a study conducted in the USA, it was found that 67% of customers were willing to pay more to secure same-day delivery (Momen & Torabi, 2021), and in a study by Mirhoseini *et al*. (2021), speed of delivery is also stated as particularly important in the context of grocery shopping. The other determining factors for selecting the specific retailer included the product rage available, familiarity, and whether they had promotions running. These findings are supported by the current literature: according to Melis, Campo, Breugelmans and Lamey (2015), it is common for shoppers engaging in multi-channel shopping to go to the same chain as their favourite offline store (familiarity) – in particular when they are fairly new to the online shopping experience. The authors also argue that other common store choice factors include price and assortment (product variety) (Melis *et al*., 2015). These two factors of price and assortment are also known as a store's variable shopping utility (Briesch, Chintagunta & Fox, 2009).

Understanding products that consumers are more or less likely to purchase online needs to be seen in the context of the very nature of online shopping: consumers buy without the ability to inspect the product (Han & Kim, 2017). The need for physical inspection specifically of cosmetics was mentioned a number of times by consumers; so this category does not seem to lend itself well to online shopping, given its online character, which does not accommodate physical inspection. Cosmetics (together with clothing) are also classified as high-risk experiential products (Guo, Zhang & Wang, 2021). According to Han and Kim (2017), product characteristics that are strongly associated with perceived risk are negatively associated with trust and purchase intention.

Regarding medication: as respondents mainly referred to the issue of receiving incorrect medication, and that medication is often needed urgently, this finding might be more of a store operational challenge that is experienced by some participants (for example, clarifying with the store when generics rather than original brands are provided); and then the sense of urgency (because a person is ill) could arguably be linked to the earlier theme identified under AoE 2 (question 1), referring to the need for speedy delivery.

In a study by Bartók, Kozák and Bauerová (2021) of online purchase behaviour in the Czech Republic, it was found that consumers were reluctant to buy perishable goods (pastries, meats, vegetables) online, and preferred to buy goods that were pre-packaged by the manufacturer. In addition, Mirhoseini *et al*. (2021) stateed that, with fresh products such as fruits and vegetables, consumers need to engage in multisensory assessment, as a physical inspection gives a sense of assurance about the products' quality – and this can only be done in a physical store. This finding is therefore consistent with previous findings.

Sub-AoE 3 To analyse low-income customers' ease in the online journey with FMCG retailers//brands

- Questions asked and interpretation

Q1: What device did you use to do your online shopping? E.g. A laptop, phone, tablet, and why did you use this device?

For the majority of the participants, the largest theme that emerged was that they used their phone to do their online shopping. The reasons included the convenience associated with it (quick, easy, always on them) and that the shopping applications were on their phones. Three participants reported that they preferred a tablet or laptop at times because of the larger screens that enabled them to zoom in, read the terms and conditions (T&Cs) easily, and be less likely to make a mistake; and the larger screens work well when they need to see detail (especially when buying an unfamiliar product).

- Quotes

P5: "Phone – because it's forever with me i can access it anytime."

P9: "I used my phone cos i downloaded the apps on my phone. And i think it's more convenient."

P4: "It'll be between my phone (iPhone) or my laptop (Macbook Air) depending on what it is I am purchasing. I prefer to have a bigger screen to look at items in more detail if I've never bought that or from the retailer before. I'd also like to see the terms and conditions. If it's miscellaneous items, I'll use my phone."

Q2: Thinking back on the online shopping process – please describe how easy or difficult you found the online shopping experience (e.g. searching items, adding to cart, checking out)

The overall theme for this question was 'easy'. Most participants found the online shopping process easy. Those who used apps seemed to find it easiest to use: most referred to it being easiest when there is a good search function, when they know what they want to buy, and when products are well-organised in categories. Two participants liked that their credit cards could easily be linked, and that they could use their Google account to log in. Only a few had difficulties, and referred to search functions that did not work well, complex payment and check-out processes, poor delivery experiences, or additional fees on top of the basket price.

- Quotes

P19: "Well it was very easy to navigate as the home page shows categories and suggestions, searching and adding to the cart was also easy. It was also easy for me to create the account using my Google credentials. After the 1st experience I had more confidence in exploring it more and searching more items. Also the payment options and procedures made it comfortable."

P18: "The whole shopping experience is actually quite easy, from finding the products, selecting the products and adding them to your cart – the only issue that I will say I have is the extra authorization amount that is required at check out which is a couple of rands more than what your total amount is."

P12: "Too complex check-out process. ... lack of security and privacy leaks. ...additional charges. ...poor tracking, logistics and long delivery. ... not having a flexible return policy. ... lack of support and no live chat opportunity."

- Summary of AoE 3 findings

Sub-AoE 3 To analyse low-income customers' ease in the online journey with FMCG retailers//brands	
Question	**Findings**
Q1: What device did you use to do your online shopping? E.g. A laptop, phone, tablet, and why did you use this device?	• Phone use (especially when application is involved) • Laptop / tablet (when purchase is more complex and larger screen is required for better viewing)
Q2: Thinking back on the online shopping process – please describe how easy or difficult you found the online shopping experience (e.g. searching items, adding to cart, checking out)	• Generally easy to use (especially those using an application) • Well-categorised products and good search function are key

With FMCG product categories such as buying groceries, shoppers are said to seek convenience and an easy shopping experience (Mirhoseini *et al*., 2021). Participants mentioned using their phones because of the ease of doing so, and made particular reference to the fact that effective and easy-to-use applications make the process even more attractive. Wang, Malthouse and Krishnamurthi (2015) found that consumers have a higher tendency to purchase products that they have purchased before using a mobile device. This, coupled with the participants' comments about ease-of-use and application simplicity, might explain their preference for using their phones. In addition, Li, Zhao and Pu (2020) argue that 'ease-of-use' is one of the most important conditions that need to be met or satisfied in order for a consumer to use a mobile application.

It is also stated that, the easier it is to use, the more willing a consumer would be to engage in learning its features.

Sub-AoE 4 To contrast the payment platforms and methods used by low-income customers in their FMCG shopping journey

- Questions asked and interpretation

Q: Upon checking out – what payment platform did you use? Please provide a reason for your choice of platform.

The majority used credit card payments, stating that it is easy (the largest theme) – 'easy' referring mostly to the fact that their credit card was already loaded on the online shopping site or application. A few referred to using debit cards because that was where they had funds available. Three participants referred to preferring electronic funds transfers (EFTs); their reasons included that a loaded credit card of theirs had been previously hacked, or that the bank authorisation functionality was easier. Two also referred to using the 'ozow pay' option.

- Quotes

P26: "Online card payment – my card details are saved on my phone, so it's easy to fill in as it's automatically saved."

P22: "Card – my card was already loaded on the app."

P24: "I used my debit because that's [where] had funds."

P14: "I paid via EFT because paying website has gotten my bank account hacked."

P12: "I personally prefer the eft payment process because SecureEFT has a Comodo SSL encryption certificate which gives our payment processing service an extremely high level of security."

P4: "1. Card payment and 2. Ozow Instant EFT."

- Summary of AoE 4 findings

Sub-AoE 4 To contrast the payment platforms and methods used by low-income customers in their FMCG shopping journey	
Question	**Findings**
Q: Upon checking out – what payment platform did you use? Please provide a reason for your choice of platform.	• Credit card (most used – often preloaded) • Debit card (second choice – fund availability) • EFT (ozow EFT) (security concerns; least used)

The reference to credit cards, because they were pre-loaded, was made in the context of that being an easy option because a credit card is often preloaded. The convenience and ease-of-use required with FMCG categories such as grocery shopping (Mirhoseini *et al*., 2021) therefore emerge again. Paying with a credit card is in line with South African online shoppers' overall payment preferences (Statista, 2021b).

Sub-AoE 5 To interpret low-income customers' perceptions of the timeliness and product delivery experience with FMCG retailers/brands

Prior to asking the first question below, participants were asked to indicate whether they opted for delivery or in-store collection services. Only two respondents opted for in-store collection. Direct delivery to home or office was therefore the predominant preference among this sample of participants. The two participants who collected in-store both indicated satisfaction with the collection experience: their shopping was ready, and they commented on having skipped the queues.

- Questions asked and interpretation

Q1: Did you receive any communication from the retailer/brand about your order before you went to collect it? If you did, please elaborate on what communication you received and how regular.

- Quotes

All participants indicated that they had received a form of communication from the retailer/brand; the most prominent theme, therefore, was 'communication received'. The majority indicated a tracking option on the app, while some received an SMS or an email. The majority of the participants were regularly notified of their shipment's progress, while two had only received an email with a date and time. Two participants even indicated having received a call from the delivery driver.

P4: "The platforms I use have a system in place where you can track your order and notifications are sent for a status update. In the last one I got at least 5 notifications before receiving my order, especially if they need to replace it with an item. Mistakes do happen, as for the last time and they didn't rectify it, which left a sour taste in my mouth, but I let it slide because it's the first time it's ever happened."

P8: "It was an sms to inform that my order is ready and packed ready [to be] delivered."

P16: "They called to say my order will be delivered between 12.00 and 13.00 and by 12.20 they were at the gate."

Q2: How long did it take (on the same day / 1+ days) before your order arrived and how did you feel while you were waiting for the order to be delivered?

Participants' delivery times were on average either on the day (within an hour) or a maximum of one day later. Only one participant waited three days, but knew that it was a typical estimate delivery time for the retailer/brand, while another two waited five days, and were very unhappy. Participants generally felt content during the waiting period, mainly thanks to the constant communication they received.

- Quotes

P5: "5 days – not sure if they had too many orders or what, but i was not happy because they didn't deliver on what they promised."

P9: "With Checkers it took an hour to arrive. With Dischem it took only a day to arrive. The waiting period wasn't bad at all & i liked that they kept me updated with my order."

Q3: Where was your order delivered? E.g. at your home / place of work? Somewhere else? Did the delivery service find it easy to find your address?

The majority of participants had a home delivery, with no issues with drivers finding their addresses. Some referred to leaving clear delivery instructions as key.

- Quotes

P4: "As mentioned, I've always [left] clear instructions. They come right up to my door, in my complex, knock and leave it there so no interaction. Very smooth and diligent."

Q4: Was your order delivered on the correct date and time? Please elaborate.

The majority of orders arrived on the correct date and at the correct time.

P8: "Yes ...I left details on the section were one needs to put address details."

Q5: "How was your experience with the delivery service when they arrived? Please elaborate in as much detail as possible."

The majority found their delivery engagements positive; the delivery service was well-trained and approachable, and it was a quick process. Some also made mention of appreciating how well-packed certain items were.

- Quotes

P4: "Usually great, even if they are dressed up in a Santa suite. They are well mannered and trained."

P11: "The experience is always great. Friendly staff, grocery packaged well and always protected, including sensitive products such as eggs and glasses."

- Summary of AoE 5 findings

Sub-AoE 5 To interpret low-income customers' perceptions of the timeliness and product delivery experience with FMCG retailers/brands	
Question	**Findings**
Q1: Did you receive any communication from the retailer/brand about your order before you went to collect it? If you did, please elaborate on what communication you received and how regular.	• All received communication • Majority – tracking option and notifications on the application
Q2: How long did it take (on the day / 1+ days) before your order arrived and how did you feel while you were waiting for the order to be delivered?	• Average of on-the-day to one day • Felt content during waiting (mainly thanks to ongoing communication received)

Q3: Where was your order delivered? E.g. at your home / place of work? Somewhere else? Did the delivery service find it easy to find your address?	• Home delivery • Address easy to locate • Detailed delivery instructions help
Q4: Was your order delivered at the correct date and time? Please elaborate.	• Majority on correct date and at correct time
Q5: "How was your experience with the delivery service when they arrived? Please elaborate in as much detail as possible."	• Positive experiences • Well-trained staff (and friendly) • Appreciated well-packaged goods

The overall delivery experience described by the participants seems positive. The feelings expressed of 'feeling content', and the fact that participants received 'communication', are in line with findings that suggest that consumers feel more content to shop online when they can track their deliveries and receive ongoing communication (Modern Retail, 2020; Kovač, Naletina & Kuvač, 2017).

Sub-AoE 6 To describe low-income customers' experience when using the products from FMCG retailers/brands

- Questions asked and interpretation

Q1. How did you feel when you received your order?

The majority of participants indicated that they felt happy or satisfied; a few even expressed excitement, while other expressed feeling relieved. 'Happiness and satisfaction' is therefore the predominant theme. Happiness and satisfaction was expressed on the basis of a few aspects, such as the order being correct or the waiting time being short; two participants mentioned being happy because the order was a surprise to others in the household (no one knowing about the contents). Relief and happiness were expressed in both instances when referring to the 'happiness and/or relief' of having skipped queues.

- Quotes

P6: "So so happy and excited, especially when it's for my hubby or kids and they have no idea of the delivery."

P7: "First and foremost the feeling of passing everyone in the queue was amazing. However, I felt good and the packaging was safe and no one knew what was inside."

P10: "I was happy that I didn't have to wait for a long time to receive my order."

Q2: Was your order correct, and what did you do with your purchase after you received it?

All orders were described as being correct. Most participants checked their orders for correctness soon after having received them, while others expressed the urgency of the order and so consumed the items quickly, while others unpacked the goods.

- Quotes

P3: "I consumed the products."

P5: "Yes the order was correct and i unpacked it after receiving it."

P9: "Yes. My order was correct and i used some of the things i ordered cos i needed them ASAP."

P15: "The order was correct I've opened the order and check if everything [is] there."

- Summary of AoE 6 findings

Sub-AoE 6 To describe low-income customers' experience when using the products from FMCG retailers/brands	
Question	**Findings**
Q1. How did you feel when you received your order?	• Happy and satisfied (order correct, short waiting time) • Relief (queues skipped)
Q2: Was your order correct, and what did you do with your purchase after you received it?	• Orders correct • Checked for correctness • Consumed (urgency) • Unpacked after receiving

A review of the literature suggested limited to no findings about customer experience or emotions upon delivery / order receipt. However, the extremely positive emotions experienced were a potential benefit; Cinar (2020) found that the more that positive emotions increase with online shopping, the more the frequency of online purchases will grow.

Sub-AoE 7 To evaluate low-income customers' perceptions of their holistic shopping journey with FMCG retailers/brands

- Questions asked and interpretation

Q1: How did you feel about the specific retailer / brand BEFORE your online purchase?

The predominant themes that emerged were familiarity and trust. Most participants felt comfortable to try online shopping with the retailer/brand because of knowing the brand, the in-store experience, the products offered, and the products' standard or quality. Some also referred to being loyal; previous loyalty having been in place made it easier to transition to buying online. Two participants were sceptical (small theme): one noted that one pays in full before receiving the goods, while the other was concerned about their personal information being shared.

- Quotes

P2: “i was always satisfied with their service hence me purchasing from them online.”

P3: “I've always trusted the brand way before online shopping.”

P8: “I love Dischem so I have no doubt about the store.”

P12: “I personally stick to what I have experience on.”

P18: “I've always had a level of trusting them so I always have brand loyalty towards them.”

Q2: How did you feel about the specific retailer / brand AFTER your online purchase?

Most participants described feeling ‘happy, good, and satisfied’ (the predominant theme) because everything was in order (arrival, products selected), with some expressing a sense of relief, and one mentioning that they were “amazed” because they had discovered something so useful to their life. Another mentioned feeling confident after having placed and received an order for the first time.

- Quotes

P3: “Felt good.”

P7: “I felt great, even completed their online survey about the products I had purchased.”

P9: “I was so happy and satisfied with their service to be honest and i am definitely going to use the app and order again.”

P4: “AMAZED and thought to myself, where have you been this whole time. I was amazed; it was Checkers and now here I am a loyal fan.”

Q3: How did the online shopping experience at this specific retailer/brand feel to you compared to visiting and physically shopping at this specific retail store/brand?

Three dominant themes emerged from this question: online shopping saves time, but not only time: also energy (avoiding queues and avoiding people are both mentioned a lot); in-store shopping leads to overspending at times (online is wiser shopping); in-store shopping has the benefit of immediacy, while one has to often wait for online. Two participants mentioned feeling that the customer service experienced online was better than that received in-store.

- Quotes

P23: “It meant I didn’t have to go to a mall or shopping centre, find parking, watch out for lots of people, wait in a line to pay. Although I had to pay for delivery the whole experience felt like it costed me less.”

P18: “I think the online shopping experience cuts out the time spent looking for products in-store and this helps in saving time to do other things. The experience is also very different as there is less human interaction involved.”

P15: “I dont have to stand in long queues; it saves my time and energy.”

P14: "It was obviously cheaper to get my purchase delivered and i also avoided spending more than i should because if i was in-store i would've added other unnecessary things to my cart."

P5: "Personally i feel in-store is better because you can get what you buy immediately."

P9: "To be honest, both of the retailers made me feel [more] special … than when i am physically at the store cos sometimes you dont get the customer service you need at the store. So i think it's better to order online sometimes to get that best customer service we deserve."

Q4: Do you feel that online adverts / social media posts etc., as well as the online store of this specific retailer/brand (the online image) reflects or speaks to how the physical store looks, feels and is experienced (offline image)? Is it the same? Is it different? Please comment on the online vs in-store image experienced.

A definite split was observed. Some participants felt that the online and offline image is consistent (referring to stores such as DisChem and Woolworths), mentioning that products are similarly well-categorised in-store and online, the overall image on the different platforms feeling the same, the feeling of cleanliness is the same. Others felt that there was inconsistency: online looks a lot more enticing than in-store (referring to store cleanliness, actual product look, and staff level of service).

- Quotes

P20: "I don't follow woolies on social media but from what I see from the app and the store, the feel, efficiency, user friendly, neat and clean aesthetic is carried both in store and online shopping via the app."

P14: "The brand image of Dischem is consistent in terms of looks, feels, both online and offline image. The experience of online shopping and physical store shopping is different because you're able to choose for yourself the products. Everything about Dischem's image is consistent."

P4: "I can't say I've been to a Checkers recently, but I would have never really considered them before unless it was the one in Mall of Africa. Every checkers I go to seem to be dirty, lack of design and style as well as bad customer service."

P2: "online ads looks more flashy and more appealing and inviting, whereas in store ads sometimes goes unnoticed."

- Summary of AoE 7 findings

Sub-AoE 7 To evaluate low-income customers' perceptions of their holistic shopping journey with FMCG retailers/brands	
Question	**Findings**
Q1: How did you feel about the specific retailer / brand BEFORE your online purchase?	• Familiar • Trust • Brand loyal
Q2: How did you feel about the specific retailer / brand AFTER your online purchase?	• Happy, good, and satisfied

Q3: How did the online shopping experience at this specific retailer/brand feel to you compared to visiting and physically shopping at this specific retail store/brand?	• Time and energy saving (online) • Controlled shopping (online – offline overspend) • Immediacy (in-store vs online waiting)
Q4:Do you feel that online adverts / social media posts etc., as well as the online store of this specific retailer/brand (the online image) reflects or speaks to how the physical store looks, feels and is experienced (offline image)? Is it the same? Is it different? Please comment on the online vs in-store image experienced.	• Consistent image – look and feel the same, products well-categorised, feeling of cleanliness • Inconsistent – online product images more flashy, customer service difference, cleanliness difference

As with the findings in AoE 2, familiarity with the offline store makes selecting the retailer/brand easier for a transition to online (Melis *et al*., 2015). Having trust in the retailer, in turn, has also emerged as a consistent theme in previous findings in the context of online shopping (Hung, Cheng & Chen, 2012; Cherrett, Dickinson, McLeod, Sit, Bailey & Whittle, 2017; Han & Kim, 2017; Deloitte, 2021). The themes of 'trust' and 'brand loyalty' emerged from asking how consumers felt about the brand before doing online shopping. The three themes (familiarity, trust, brand loyalty) are also seemingly linked, as previous research suggests that consumers are more likely to trust a brand that they can experience offline (Bauerová & Braciníková, 2021).

The theme of 'time and energy' is again consistent with previous findings (see Sub-AoE 1 and the findings by Momen and Torabi, 2021). The aspect of energy might also be viewed against, or subtly linked to, the mentions made under Sub-AoE 1 of working long hours; it is a specific aspect emerging from this sample, and is not commonly referred to in the literature (while convenience and time-saving overall are prevalent, along with some previous findings that consumers do online shopping because they are merely too lazy to leave the house). Regarding the in-store vs offline themes of 'controlled shopping (online)' and 'overspending offline', previous studies have suggested that offline shopping did have a slightly more encouraging nature that led consumers to engage in more impulse buying (Aragoncillo & Orus, 2018). The need to receive goods immediately and the elimination of waiting time is an interesting finding. There are a few aspects that might play a role in this need; one study suggests that waiting times cause consumers to feel high levels of desire, as well as anxiety, and that less-experienced users (which this study's sample seems to be) experience longer perceived waiting times compared with actual waiting times (Hung *et al*., 2012).

The split in consumers' perceived consistency of the retailer/brand is interesting – especially when they refer either way to the aspect of cleanliness. No specific literature could be found on the cleanliness of the store and the difference between online and offline customer service; but it is suggested that the offline store is complementary to the online store (Wang & Goldfarb, 2017). This implies that some synergy should exist, particularly in achieving a unified shopping experience (which is promoted in the omni-channel literature). Retailers/brands should therefore review all of their channels holistically (as consumers do) in order to offer a unified shopping experience (Savastano, Bellini, D'Ascenzo & De Marco, 2019).

Sub-AoE 8 To reveal the low-income customers' perception of the overall experience with the FMCG retailer/brand

- Questions asked and interpretation

Q1: What could the retailer / brand have done better in your opinion AND what did the retailer / brand do well in your opinion?

Most participants felt that the online applications were done well and were very user-friendly (he most predominant theme), that orders were correct, and that communication updates were good. The largest theme for recommended improvements that emerged was delivery time – that suppliers did not deliver when indicated.

- Quotes

P5: "What the retailer did good is that everything i ordered i received and what they can improving on is to make sure that they deliver on time."

P9: "In my opinion I think they did a great job when it comes to creating apps where people can [order] online hustle [hassle] free. I think they should keep their apps user friendly at all times and their delivers and communication up to date at all times. I am happy with the overall service i got from them."

P18: "They did well in providing the correct products, they could improve on their time, as they have said their brand has claimed that purchases can be received within an hour but sometimes this tends to overlap into minutes extra."

- Summary of AoE 8 findings

Sub-AoE 8 To reveal the low-income customers' perception of the overall experience with the FMCG retailer/brand	
Question	**Findings**
Q1: What could the retailer / brand have done better in your opinion AND what did the retailer / brand do well in your opinion?	• User-friendly applications are well-liked • Delivery time must improve

The ease-of-use of mobile applications, and the fondness for them, have been reported on under AoE 3, and it is confirmed again in this question that mobile applications are well-liked. What is interesting here, however, is the theme that retailers could improve on delivery time, even though the majority of participants reported that their order arrived on time (AoE 5). Referring back to AoE 7, it was proposed that perceived waiting time can cause anxiety and desire, and also that less-experienced users perceive waiting times as longer (Hung *et al*., 2012); these are repeated here as a possible explanation of why this contradiction was observed.

Summary of all AoEs

There are numerous similarities in the behaviours of the South African lower-income segment and those revealed by studies in different market segments and countries. However, aspects in which the literature was found to be limited were explorations of consumers' references to 'energy' and 'working long hours' in greater depth (as a driver of online shopping), followed by the incredibly positive emotions reported upon receiving deliveries (happy, relieved, amazed); and, last, the specific inconsistency referred to regarding online vs offline store cleanliness perceptions and online vs offline store customer service experiences – the latter being very important to securing a unified shopping experience.

Figure 2 provides a summary of all the themes, categorising them according to five aspects: what motivated the decision to 'shop online'; what happened during the 'search phase' of the journey when a retailer had to be selected; what happened during the 'purchase phase', followed by the 'waiting and delivery phase' and then the 'after phase' – what was good, or should be improved, in the overall experience. The figure also shows how various elements interact and/or repeat in the consumer's shopping journey.

Figure 2: Omni-channel process: Consolidation of all findings

THE ONLINE DECISION (AoE 1)

Convenience

- time & travel cost
- mood & queues
- crowding

ONLINE VS OFFLINE (AoE 7)

Sentiment (before online shopping)

- Familiarity (products offered & store itself)
- Trust
- Loyalty

In-store (pros)

- Immediacy (get product now)

In-store (cons)

- Overspending
- Time (actual time and energy)
- Customer service (better online)

Sentiment (after online shopping)

- Happy
- Good
- Satisfied

IMAGE CONSISTENCY (AoE 7)

Consistent (online AND offline)

- Well-categorised products
- Cleanliness

Inconsistent (online AND offline)

- Product look (online more appealing)
- Customer service (better online)
- Cleanliness (online seems cleaner)

THE SEARCH PHASE (AoE 2)

Why this retailer / brand?

- **Delivery speed offered**
- **Product range**
- **Familiarity (trust, brand loyal)**
- **Promotions**
- **Applications – easy to use**
- **Advert**

Products unlikely to purchase online

- Cosmetics
- Medication
- Perishables (vegetables, meats)

THE PURCHASE PHASE (AoE 3)

Phone use (applications, because:

- Applications are easy to use
- App has good search function
- Products are well-categorised

Payment – most to least (AoE 4)

- Credit card (majority – easiest)
- Debit card (funds are there)
- EFT

WAITING/ DELIVERY PHASE (AoE 5)

Before delivery

- Consistent communication received
- Application tracking (most popular)
- Generally content while waiting (thanks to communication)
- Generally, on-time delivery and positive delivery experience
- Well-packaged goods

After delivery

- Happy, satisfied (correct, on-time), excited
- Relief (skipped queues)
- Order checked immediately
- Unpacked and/or consumed

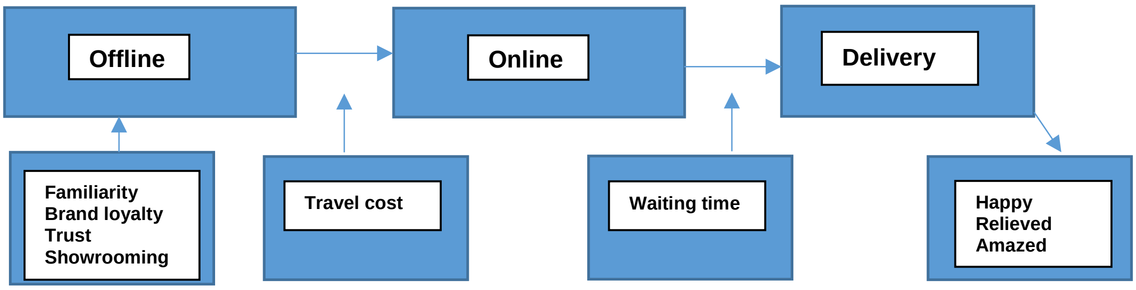
Good / what to improve? (AoE 8)

Applications – very positive, well-received

Delivery time should improve / not good enough

Figure 3 is a proposed outline of the low-income customer's omni-channel process as suggested by the results obtained.

Figure 3: The low-income consumers' omni-channel



In this report's literature review, the different types of omni-channel engagement were outlined. Considering that only two of the 25 participants indicated a click *and* in-store collect option, together with the emphasis on travel costs (with many not having their own transport), it is suggested that this market segment engages predominantly in an offline-to-online context, with an element of showrooming taking place (Li *et al*, 2019). They receive information offline, with a strong focus on in-store familiarity (AoE 2 and AoE7 findings); they feel confident in and trust the retailer (AoE 7); and then they shop online, in particular because there are delivery and transport cost-savings (AoE 1). This segment, however, has a major concern about delivery waiting times (AoE 2, 5, and 8 findings) in the omni-channel experience process. They also experience seemingly highly positive emotions upon receipt of the delivery.

RECOMMENDATIONS AND CONCLUSIONS

Based on the above findings, the recommendations below are outlined.

Online recommendations

An ongoing improvement of and focus on the latest technologies to enhance convenience and ease-of-use is of major importance: enhancing applications, payment processes, and search functionalities, and embracing new technology that has been identified as enhancing convenience. The specific recommendations for enhancing the convenience element are provided below:

- As these purchases are predominantly driven by the need for convenience, ongoing improvement of and providing a comprehensive search function is advised (i.e., searches are driven by keywords in everyday language; thus, for example, 'toothpaste' would list all available toothpaste options).
- Strive to keep simplifying complex checkout processes (e.g., an easy sign-up process), and promote safety and support where needed (e.g., through 3D secure or instant EFTs).
- Invest in innovative and cost-effective delivery modes and models. With petrol price increases, the benefit of delivery vs personal transport costs will likely become more prominent; so consider more fuel-efficient vehicles or other kinds of vehicle (e.g., motorcycles, tuk-tuks, e-bikes with carriers) and smart route planning technologies and just-in-time management systems. Consider 'pooling' deliveries in a certain

location and offering customers a competitive delivery fee if they choose this option – e.g., delivering all orders made during a certain period on a certain day.

- Same-day delivery – this market segment is very delivery-time conscious, perhaps because of the nature of the goods (FMCG) being consumed and/or needed more urgently.
- Invest in technology that reminds customers to order or to book: pre-empt orders using technology to estimate when previous purchases might be due again and then, for example, prompting customers.

In-store recommendations

- Familiarity, trust, and brand loyalty should be nurtured and built through the in-store experience, as this was identified as a predominant starting point for the omni-channel experience and the move to the online world for this segment.

- Brand experience could be improved in-store by:
  - Improved customer service through the availability of friendly staff on the floor who can not only assist, but also engage, make product recommendations, and provide and sell solutions.
  - An element of surprise every now and again during a shopping trip to arouse positive feelings and sentiments (e.g., free samples, product discounts, thank-you cards).
  - More efficient and faster queue management: better cashier availability should be managed to ensure a smooth flow. Cashier availability is normally based on demand times; so a minimum of an additional 40% of other retail staff in the store should also be able to act as cashiers, should there be an unanticipated hike in in-store demand.
  - Invest in in-store fragrances to promote perceptions of cleanliness. The olfactory system is incredibly powerful. Coricraft, for example, has a dedicated and specific air freshener that is designed to be released in all its stores. Areas that do not contain fresh food (bread, fish) should have these air-fresheners activated to ensure that customers link the fragrance with the brand/store.

Online and offline integration recommendations

- Online is considered by some to be cleaner and to offer better customer service. Maintaining a consistent brand experience remains key; the in-store suggestions given above could be applied to bridge consistency between the online and offline experiences.
- As the online environment allows for more detailed product knowledge, consider providing QR codes on all the physical products. The manufacturer of the product could place these on the product, OR the retailer could undertake this). Then each product could be scanned for its full details, giving consumers the ability to view / store product details online.
- Consider a retailer-specific code to be placed on each product with a barcode that is linked to the retailer's system, so that it can be scanned with a phone to check the price. This would avoid consumer-price issues with products that either had no price or whose price was incorrectly indicated. The scanned price

could thus always be promoted as 'the final and correct price', and could limit any friction with the cashier when a label is incorrect. It could also require users to download the store's app in order to use the functionality. Apart from the price, other offers and specials could be explained / offered, and short 15-second videos could provide usage ideas, for example, resulting in cross-selling (e.g., recipes in the case of food).

- An in-store product finder could add value, such as a unique planogram, loaded on the store app for each store, that provides the aisle number for a particular product.

Consumer-specific challenges

Laziness and long working hours could also be coupled with long times travelling to work that this income bracket usually experiences. Even though participants did not make reference to travel time, it was evident that many did not have their own transport. The unbalanced spatial structures of South African cities means that many lower-income communities are based on the cities' peripheries, far from employment opportunities, which results in long travel times (Van der Merwe & Krygsman, 2020). Although this is a fairly broad assumption, these factors should be appreciated as a likely reality in these consumers' lives, and ways in which to relieve the burden of this reality should be explored.

Highly positive emotions experienced should be capitalised on. It is argued that positive emotions and experiences increase the frequency of online shopping; and, of course, positive emotions can also help to build brand loyalty repeat sales and so improve brand equity. Consumers may, however, be taken even beyond happiness and satisfaction to experience delight. They can, for example, be surprised with a free sample or product every now and again – a mystery loyalty gift of something they purchase regularly, a free sample, a thank-you card, a thank-you video.

A concern identified by some participants was to do with the purchasing of perishable items. One possible way to overcome this concern would be to invest in a very strict cold-chain management and supplier consistency system, so that a high level of quality is consistently produced with very slight and/or limited product variance. Consumers' awareness of this process should then be invested in. An initiative such as this would help to reassure customers that perishables are all of a particular quality and standard. Close attention should also be paid to 'best before' dates, and either these should be indicated (if possible) on the website, or a policy of that the 'best before' date is always available should be communicated for certain goods, both in-store and online. Once this is in place, consumer awareness of the quality of products will have to be promoted and instilled, using both in-store and online channels.

The purchasing of cosmetics posed another challenge. These are classified as high-risk experiential products. The reluctance to buy them online could be overcome in two ways. One is to promote an online 'visit our store to feel, smell, and test' promotion (in the case of an online and offline retailer); the other is to provide sampling purchases for which clever sampling packages could be put together. Then the consumer would spend only a limited amount, reducing their cost and risk association, and they would be able to try the cosmetics in the comfort of their home, with good lighting (e.g., for buying foundation). These sampled products would have to be costed and controlled, however, so that consumers do not only buy samples.

In respect of the reluctance to purchase medications online: pharmacies could learn from the Checkers Sixty/60 approach, in which the urgency of medication when one is ill is leveraged by a 'within the hour' meds service. For example, a dedicated 0800SICK number or app option with access to a dedicated pharmacist could be provided by the pharmacy or the pharmacy's application. Phone calls would be taken, carefully reviewed and discussed; and clarity about the exact symptoms and about the preferred and recommended medication, and the availability of stock, would be communicated and confirmed, followed by a swift delivery service. For cost effectiveness, the service might only be offered within a three- to five-kilometre radius from the pharmacy, as it would not necessarily be a daily high-volume offering.

MOVING FORWARD

The literature suggests that less-experienced online shoppers tend to stick with the brand they know offline, but that this could change over time as they grow in experience (Melis *et al*, 2015). Retailers need therefore to invest in developing and maintaining loyalty from the first order, and/or to engage the customer, with a core focus on establishing trust and confidence, as these have been identified as important factors for the transition from offline to online purchases. Applying some of the recommendations above could also help to improve the online, offline, and integrated experience.

Future research could conduct and collect quantitative data in order to confirm statistically the proposed omni-channel process, as well as the findings presented here. Specific retailer case studies could also be explored and conducted, such as of the Checkers Sixty60 experience, and how sustainable this might remain as a differentiator before others catch up. Technology is constantly updating; and with the introduction of the metaverse, studies might want to explore the incorporation of more immersed technology in the omni-channel shopping process. The introduction of artificial intelligence, with its ability to predict trends and even personal purchase patterns, might prove beneficial if invested in early on.

As this study engaged in collecting qualitative data, the sample size suggested that it was adequate to achieve saturation (Guest, Bunse & Johnson, 2006). However, the results need to be interpreted against the background of the sample size of 20 interviews and the nature of the data collection. It is not always necessary to generalise to the greater population; so these findings should rather be seen as a way to develop more questions for further projects that enquire into and seek to understand this very under-researched market.

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