

The Effect of Omnichannel Seamless Experience on Customer Loyalty: The Mediating Role of Customer Engagement in Convenience Store Retailing

Shintia Faramudhita*, Nurdin Sobari

Faculty of Economics and Business, Universitas Indonesia, Indonesia

**Corresponding author. Email: shintia.faramudhita@ui.ac.id,*

ABSTRACT

The rapid growth of Indonesia's convenience store industry, together with the expanding adoption of omnichannel shopping behaviors, has spotlighted the importance of delivering seamless customer experiences across online and offline channels. Despite the growing relevance of omnichannel retailing, empirical studies examining seamless experience in the convenience store context remain limited. This study investigates the influence of a seamless omnichannel experience on customer engagement and loyalty among Indonesian convenience store customers. A quantitative cross-sectional approach was employed using an online survey of 431 customers who had experienced omnichannel shopping journeys through Alfamart or Indomaret. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that a seamless experience significantly enhances customer engagement, which in turn positively influences customer loyalty. Furthermore, customer engagement mediates the relationship between seamless experience and customer loyalty, suggesting that seamless omnichannel interactions strengthen loyalty by fostering deeper customer involvement. This study extends the omnichannel retailing literature by providing evidence from the underexplored convenience store context and offers useful insights for retailers trying to enhance customer loyalty through integrated omnichannel experiences.

Keywords: *Omnichannel, Convenience Store, Seamless Experience, Customer Engagement, Customer Loyalty.*

1. INTRODUCTION

The Indonesian convenience store industry continues to expand rapidly, Among Indonesia's leading convenience store brands, Alfamart and Indomaret dominate the market reaching 45,359 stores in March 2026. Despite this growth, convenience stores face increasing competition from e-grocery platforms and changing consumer shopping behavior. Consumers are increasingly integrating online and offline channels throughout their shopping journey, with 47% of Indonesian consumers having adopted new shopping methods such as buy-online-pick-up-in-store (BOPIS) and delivery applications (Statista, 2022). As a result, implementing an omnichannel strategy has become essential for convenience store retailers.

Although omnichannel retailing has attracted considerable academic attention, studies focusing specifically on convenience stores remain limited. Gibson et al. (2022) examined the impact of omnichannel retailing on revisit intention in convenience stores; however, omnichannel was treated as part of overall store quality, without explicitly investigating channel integration quality or a seamless experience. This gap is important because a seamless experience represents customers' holistic evaluation of their ability to move effortlessly across channels, characterized by smooth channel transitions, accessible information, simple payment processes, and flexible fulfillment options (Chang & Li, 2022; Rodríguez-Torrico et al., 2020). Previous studies have shown that seamless experience positively influences customer engagement and loyalty (Chang & Li, 2022; Cocco & Demoulin, 2022). However, empirical evidence in the convenience store context remains scarce. Therefore, this study aims to investigate how a seamless omnichannel experience influences customer engagement and loyalty among convenience store customers in Indonesia.

1.1. Literature Review and Hypothesis Development

Seamless experience is defined as customers' holistic evaluation of their cumulative experiences across multiple touchpoints throughout the shopping journey (Wiese, 2024). Previous studies suggest that the creation of a seamless experience largely depends on the quality of channel integration, which refers to a retailer's ability to effectively

coordinate and integrate multiple channels (Gao & Huang, 2021; Lee et al., 2019). In this study, the seamless experience is conceptualized within the framework proposed by Chang & Li (2022) encompassing four dimensions: consistency of sales strategies, information visibility, simplicity of payment, and flexibility of fulfillment. Consistency of sales strategies refers to the extent to which customers perceive pricing, promotions, and product assortments as consistent across channels. Information visibility reflects the accessibility of product-related information, such as inventory availability, order status, and transaction records. Simplicity of payment captures the ease and convenience of payment processes across channels, while flexibility of fulfillment refers to customers' ability to choose preferred methods for order collection and returns. Prior studies have demonstrated that higher levels of channel integration contribute to a more seamless shopping experience, enabling customers to move effortlessly across channels and fostering stronger engagement with retailers (Cocco & Demoulin, 2022; Gao & Huang, 2021). Therefore, the following hypothesis is proposed:

H1: Seamless experience positively influences customer engagement.

Previous research has consistently shown that customer engagement is a significant antecedent of customer loyalty. Engaged customers are more likely to develop stronger emotional bonds with retailers, resulting in higher loyalty, greater customer retention, and reduced switching intentions (Gao & Huang, 2021; Nanta et al., 2025). Moreover, customer engagement has been found to increase purchase-related outcomes, such as basket size and long-term customer value (Cocco & Demoulin, 2022; Cuesta-Valiño et al., 2023). Accordingly, the following hypothesis is proposed: In addition to its direct effect on loyalty, customer engagement is a key mechanism linking integrated omnichannel experiences to favorable customer outcomes. Gao & Huang (2021) and Lee et al. (2019) found that customer engagement significantly mediates the relationship between channel integration quality and outcomes such as customer loyalty, positive electronic word-of-mouth (e-WOM), and repurchase intention. Consequently, customers who perceive a seamless shopping experience are more likely to engage with the retailer, thereby strengthening their loyalty. Therefore, the following hypothesis is proposed:

H2: Customer engagement positively influences customer loyalty.

H3: Customer engagement mediates the relationship between seamless experience and customer loyalty.

2. RESEARCH METHOD

This study employed a quantitative research approach using a cross-sectional design. Primary data were collected through an online survey using a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The target population consisted of customers of Indonesia's leading convenience store retailers, Alfamart and Indomaret. Since the exact population size was unknown, a non-probability sampling method was applied. Specifically, purposive sampling was used to ensure that respondents met the research objectives (Sekaran & Bougie, 2016). To be eligible for participation, respondents had to be at least 17 years old, have made purchases at Alfamart or Indomaret physical stores within the previous three months, have purchased through the Alfagift or KlikIndomaret online platforms within the same period, and have experienced omnichannel shopping journeys involving channel switching, such as buy online, pick up in store (BOPIS), or showrooming, or webrooming. These criteria ensured that respondents possessed sufficient experience to evaluate omnichannel shopping experiences.

Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0 software. PLS-SEM was selected for its ability to handle complex research models without strict distributional assumptions (Hair et al., 2019). The measurement scales were adapted from established studies, with seamless experience adopted from Chang & Li (2022), customer engagement from Vivek et al.(2014) and customer loyalty from Bilgihan (2016) and Chiu et al. (2014).

3. RESULTS AND DISCUSSION

3.1. Results

The total of 431 valid responses was collected for this study. The sample was predominantly female (65.2%), while male respondents accounted for 34.8%. In terms of age, most respondents were 24-28 years old (31.1%), followed by those aged 29-33 years (24.1%), indicating that the sample was largely composed of young adults. Regarding educational background, nearly half of the respondents had completed senior high school (47.1%), while 39.0% held a bachelor's degree. In terms of occupation, private-sector employees represented the largest group (44.6%), followed by entrepreneurs (16.5%) and students (15.3%). Most respondents reported a monthly income between IDR 1 million and IDR 10 million, with the largest proportion earning between IDR 3 million and IDR 5

million (26.9%). Regarding their omnichannel shopping experience, the majority of respondents had experienced buy online, pick up in store (BOPIS) services (41.07%), followed by webrooming (34.57%) and showrooming (24.36%).

3.1.1. Evaluation of Measurement Model (Outer Model)

The evaluation of the measurement model indicated that all indicators had outer loading values above 0.70, thereby satisfying the criterion for indicator reliability. Furthermore, the values of Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) for all constructs exceeded the recommended threshold values. Therefore, all first-order constructs were considered reliable and demonstrated adequate convergent validity. In addition, the Heterotrait–Monotrait Ratio (HTMT) values were below 0.90, confirming that discriminant validity had been established.

Subsequently, the evaluation of the second-order construct, Seamless Experience, showed that all of its underlying dimensions Consistency of Sales Strategies (CSS), Information Visibility (IV), Simplicity of Payment (SP), and Flexibility of Fulfilment (FF) had VIF values below 3, indicating the absence of multicollinearity issues. Moreover, all dimensions were found to contribute significantly to the Seamless Experience construct, as evidenced by p-values below 0.05.

3.1.2. Evaluation of Structural Model (Inner Model)

Following the assessment of the measurement model, the structural model was evaluated through four stages: collinearity assessment, explanatory power (R^2), effect size (f^2), and the significance and relevance of path coefficients. The first stage involved examining collinearity using the Variance Inflation Factor (VIF) values. The results showed that all VIF values were below the recommended threshold of 3 (Hair et al., 2019), indicating the absence of collinearity issues among the predictor constructs. The next stage involved evaluating the coefficient of determination (R^2) to assess the model's explanatory power.

The coefficient of determination (R^2) was used to assess the model's ability to explain the variance of the endogenous constructs (Hair et al., 2019). The results indicate that the model explains 47% of the variance in customer engagement, representing a weak-to-moderate level of explanatory power, and 58% of the variance in customer loyalty, indicating a moderate level of explanatory power. The next evaluation involved examining the effect size (f^2). The findings show that seamless experience has a large effect on customer engagement ($f^2 = 0.89$), and that customer engagement also has a large effect on customer loyalty ($f^2 = 1.39$). Finally, the significance of the structural relationships was assessed through a bootstrapping procedure with 10,000 subsamples using a one-tailed test. The results reveal that both direct and indirect effects are statistically significant, with t-values exceeding 1.64 and p-values below 0.05. Overall, the findings demonstrate that the proposed model satisfies the required criteria for both the measurement model and the structural model evaluation.

3.2. Discussion

3.2.1. The Influence of Seamless Experience on Customer Engagement

The results of Hypothesis 1 testing indicate that seamless experience has a significant positive effect on customer engagement ($\beta = 0.76$, $t = 27.10$, $p < 0.001$). This finding suggests that when customers experience smooth transitions across channels such as the ability to order products through a mobile application and collect them in a physical store (buy online, pick up in store), synchronized loyalty points across online and offline channels, and consistent pricing and promotional offers, they are more likely to exhibit higher levels of engagement with the retailer. This engagement is reflected in more frequent interactions, increased purchase frequency, and stronger retention toward the convenience store brand.

This finding is consistent with the study by Cocco & Demoulin (2022), which found that customers who perceive a seamless shopping experience tend to be more engaged, make more purchases, and are less likely to switch to competing retailers. Furthermore, the result aligns with previous research on omnichannel integration quality, such as Gao & Huang (2021), who highlighted the positive impact of integrated omnichannel systems on customer engagement. The ease with which customers can move between channels enables them to interact more frequently with the retailer and enhances the quality of their overall shopping experience.

3.2.2. The Influence of Customer Engagement on Customer Loyalty

The results of Hypothesis 2 indicate that customer engagement has a significant positive effect on customer loyalty ($\beta = 0.69$, $t = 20.08$, $p < 0.001$). This finding suggests that customers who actively interact with and feel connected to a convenience store retailer through both online and offline channels are more likely to develop stronger loyalty toward the retailer. Engaged customers tend to maintain long-term relationships with the brand, demonstrate higher repurchase intentions, and are more willing to recommend the retailer to others.

This finding is consistent with previous studies by Gao & Huang (2021) and Cuesta-Valiño et al. (2023), which reported that customer engagement is a key determinant of customer loyalty in omnichannel retail settings. Customer engagement fosters stronger emotional and behavioral connections between customers and retailers, thereby strengthening long-term customer relationships. Furthermore, Lee et al. (2019) argued that higher levels of customer engagement directly promote loyal behaviors, including repurchase intentions and positive word-of-mouth recommendations. Therefore, enhancing customer engagement can serve as an effective strategy for convenience store retailers seeking to build and sustain customer loyalty.

3.2.3. Mediating Effect of Customer Engagement on Seamless Experience and Customer Loyalty

The results of Hypothesis 3 indicate that customer engagement significantly mediates the relationship between seamless experience and customer loyalty ($\beta = 0.52$, $t = 12.97$, $p < 0.001$). The positive mediation effect suggests that the more positively customers perceive a seamless omnichannel experience, the higher their level of engagement with the retailer, which subsequently enhances customer loyalty. In other words, an integrated and frictionless omnichannel experience not only directly influences customer loyalty but also strengthens loyalty indirectly by fostering greater customer engagement with the retailer.

This finding is consistent with previous studies by Gao & Huang (2021) and Lee et al. (2019), which emphasized the importance of channel integration quality in promoting customer engagement and, ultimately, customer loyalty. By enabling customers to move effortlessly across channels and interact more effectively with the retailer, seamless experiences encourage stronger customer involvement, which serves as a key mechanism through which loyalty is developed and sustained.

4. CONCLUSION

This study demonstrates that a seamless experience plays a critical role in fostering customer engagement and loyalty in the omnichannel convenience store context. The findings reveal that a seamless experience has a significant positive effect on customer engagement, indicating that customers who perceive smooth transitions across online and offline channels tend to interact more actively with the retailer. Furthermore, customer engagement was found to significantly enhance customer loyalty, suggesting that engaged customers are more likely to maintain long-term relationships with the retailer, exhibit repurchase intentions, and provide positive recommendations. These results highlight the importance of delivering a consistent and integrated omnichannel experience to strengthen customer and retailer relationships.

In addition, the study confirms the mediating role of customer engagement in the relationship between seamless experience and customer loyalty. The results indicate that a seamless experience indirectly influences loyalty by increasing customer engagement. This finding suggests that the benefits of omnichannel integration extend beyond operational efficiency, as they encourage customers to become more engaged with the retailer, thereby strengthening their loyalty. Therefore, convenience store retailers should prioritize developing seamless omnichannel experiences that facilitate customer interaction and engagement, as these efforts can effectively enhance customer loyalty and sustain long-term competitive advantage.

REFERENCES

- Bilgihan, A. (2016). Gen Y customer loyalty in online shopping: An integrated model of trust, user experience and branding. *Computers in Human Behavior*, 61, 103–113. <https://doi.org/10.1016/j.chb.2016.03.014>
- Chang, Y. P., & Li, J. (2022). Seamless experience in the context of omnichannel shopping: scale development and empirical validation. *Journal of Retailing and Consumer Services*, 64, 102800. <https://doi.org/10.1016/j.jretconser.2021.102800>
- Chiu, C., Wang, E. T. G., Fang, Y., & Huang, H. (2014). Understanding customers' repeat purchase intentions in B2C e-commerce: The roles of utilitarian value, hedonic value and perceived risk. *Information Systems Journal*, 24(1), 85–114. <https://doi.org/10.1111/j.1365-2575.2012.00407.x>
- Cocco, H., & Demoulin, N. T. M. (2022). Designing a seamless shopping journey through omnichannel retailer integration. *Journal of Business Research*, 150, 461–475. <https://doi.org/10.1016/j.jbusres.2022.06.031>

- Cuesta-Valiño, P., Gutiérrez-Rodríguez, P., Núñez-Barriopedro, E., & García-Henche, B. (2023). Strategic orientation towards digitization to improve supermarket loyalty in an omnichannel context. *Journal of Business Research*, 156, 113475. <https://doi.org/10.1016/j.jbusres.2022.113475>
- Gao, M., & Huang, L. (2021). Quality of channel integration and customer loyalty in omnichannel retailing: The mediating role of customer engagement and relationship program receptiveness. *Journal of Retailing and Consumer Services*, 63, 102688. <https://doi.org/10.1016/j.jretconser.2021.102688>
- Gibson, S., Hsu, M. K., & Zhou, X. (2022). Convenience stores in the digital age: A focus on the customer experience and revisit intentions. *Journal of Retailing and Consumer Services*, 68, 103014. <https://doi.org/10.1016/j.jretconser.2022.103014>
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis* (Eighth edition). Cengage.
- Lee, Z. W. Y., Chan, T. K. H., Chong, A. Y.-L., & Thadani, D. R. (2019). Customer engagement through omnichannel retailing: The effects of channel integration quality. *Industrial Marketing Management*, 77, 90–101. <https://doi.org/10.1016/j.indmarman.2018.12.004>
- Nanta, T. M., Noermijati, N., Rohman, F., & Hussein, A. S. (2025). The Effect of Digital Touchpoint Usage Experience on Customer Loyalty Mediated by Digital Engagement and Customer Satisfaction. *Businesses*, 5(1), 3. <https://doi.org/10.3390/businesses5010003>
- Rodríguez-Torrico, P., Trabold Apadula, L., San-Martín, S., & San José Cabezudo, R. (2020). Have an omnichannel seamless interaction experience! Dimensions and effect on consumer satisfaction. *Journal of Marketing Management*, 36(17–18), 1731–1761. <https://doi.org/10.1080/0267257X.2020.1801798>
- Sekaran, Uma & Roger, Bougie. (2016). *Research Methods for Business :A Skill Building Approach*. 7th Edition. John Wiley & Sons, Haddington
- Statista. (2022, September). Digitalization in Indonesia's retail industry. Statista. <https://www.statista.com/study/101960/statista-dossierplus-on-digitalization-in-indonesias-retail-industry>
- Vivek, S. D., Beatty, S. E., Dalela, V., & Morgan, R. M. (2014). A Generalized Multidimensional Scale for Measuring Customer Engagement. *Journal of Marketing Theory and Practice*, 22(4), 401–420. <https://doi.org/10.2753/MTP1069-6679220404>
- Wiese, M. (2024). Omni-channel shopping experiences – to share or not to share? *Cogent Business & Management*, 11(1), 2330664. <https://doi.org/10.1080/23311975.2024.2330664>