

**A STUDY ON SERVICE: A STRATEGIC FRAMEWORK FOR EXPERIENTIAL AND OMNICHANNEL
RETAIL EXCELLENCE**

*** Mr. Manohar Vinod Pathre, **Ms. Subhaangi Koshlesh Bharti Singh,
&***Rohit Parbat Bala**

* Assistant Professor, Research Scholar, ** Assistant Professor, Research Scholar, N. G. Acharya & D. K. Marathe College of Arts, Science & Commerce, Mumbai

*** UG Student, Bhartiya Vidya Bhavan's M.M. College of Arts, N.M. Institute of Science, H.R.J. College of Commerce, Bhavan's College, (Autonomous), Andheri (West), Mumbai, Maharashtra, India

Abstract:

The rapid transformation of the retail sector has shifted competitive advantage from product-centric strategies toward customer-centric experiences supported by digital integration. Existing retail frameworks address service quality or store environment in isolation, offering limited integrated models for the multidimensional nature of modern retail. Addressing this gap, the present study proposes the SERVICE framework — a seven-dimension strategic model comprising Seamlessness, Engagement-Driven Personalization, Reliability, Value-Centricity, Interactivity, Connectivity, and Experience — to explain the key drivers of experiential and omnichannel retail excellence. A quantitative survey design was employed, collecting primary data from 72 retail customers and 21 retail employees using a structured five-point Likert-scale instrument. Statistical analysis — including descriptive statistics, Cronbach's Alpha, Pearson correlation, and multiple regression — was conducted to examine the relationship between SERVICE dimensions and customer satisfaction. Findings confirm that all seven dimensions significantly influence customer satisfaction, with Experience ($r = 0.724$) and Interactivity ($r = 0.721$) emerging as the primary drivers. The regression model explains 62.3% of satisfaction variance. The SERVICE framework offers academics and practitioners a structured, empirically validated model for designing customer-centric retail ecosystems that enhance engagement, trust, and loyalty.

Keywords: Experiential Retail, Omnichannel Retail, Customer Experience, Service Framework, Retail Strategy.

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Introduction:

The global retail industry is undergoing fundamental transformation driven by technological advancement, shifting consumer expectations, and the convergence of physical and digital commerce. Traditional retail models premised on product assortment and price competitiveness are yielding to customer-centric strategies that prioritize engagement, convenience, and experience. Modern consumers navigate fluidly between online platforms, mobile applications, and physical stores, compelling retailers to develop integrated strategies across multiple touchpoints.

The emergence of experiential retail reflects this shift, extending the retail proposition beyond product transactions to the creation of memorable, emotionally resonant shopping journeys. Immersive store atmospheres, interactive displays, and personalized services now constitute critical determinants of customer perception. Concurrently, omnichannel retailing — integrating physical stores, e-commerce, mobile applications, and social media into a unified customer journey — has become central to competitive retail strategy. Evidence consistently demonstrates that customers engaging across multiple channels exhibit

higher loyalty and spending compared to single-channel shoppers (Verhoef, Kannan, & Inman, 2015). Despite these developments, existing frameworks tend to examine service quality, store environment, or channel integration in isolation. This fragmentation limits the analytical utility of available models for practitioners confronting the full complexity of modern retail environments. Leading retailers — including Amazon, Walmart, and Reliance Retail — have developed integrated ecosystems combining digital efficiency with experiential richness, underscoring the practical urgency of a comprehensive, multi-dimensional framework.

In response to this gap, the present study proposes the SERVICE framework, conceptualizing seven interconnected drivers of retail excellence: Seamlessness, Engagement-Driven Personalization, Reliability, Value-Centricity, Interactivity, Connectivity, and Experience. Through empirical analysis of customer and employee survey data, the study examines how these dimensions collectively influence customer satisfaction in contemporary retail environments and offers both theoretical contributions and actionable managerial guidance.

Review of Literature:

- **Bernd H. Schmitt (1999)** introduced experiential marketing, showing that consumers increasingly value sensory, emotional, and interactive experiences over purely functional product benefits, highlighting the importance of experiential retail environments for customer engagement.
- **A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry (1988)** developed the SERVQUAL model, identifying core service quality dimensions influencing customer satisfaction; however, it does not fully capture the digital and experiential dynamics of modern retail.

- **Anne T. Verhoef, P. K. Kannan, and J. Jeffrey Inman (2015)** demonstrated that omnichannel integration enhances customer convenience, engagement, and loyalty, emphasizing the role of seamless channel integration.
- **Katherine N. Lemon and Peter C. Verhoef (2016)** highlighted that customer experience across multiple touchpoints throughout the purchase journey significantly shapes customer perceptions and satisfaction.
- **Ruth N. Bolton et al. (2018)** emphasized that personalized communication, emotional engagement, and service interactions influence purchasing decisions and strengthen customer relationships.
- **Industry analysis by McKinsey & Company (2021)** identifies digital integration, personalization, and omnichannel capabilities as critical drivers of competitive advantage in modern retail. Together, these studies provide the theoretical foundation for the SERVICE framework while highlighting the lack of a unified integrated model, which this research addresses..

Research Gap:

While existing research has advanced understanding of service quality, experiential marketing, and omnichannel retailing, these dimensions are predominantly examined in isolation. No unified framework concurrently integrates omnichannel seamlessness, personalization, reliability, value creation, interactivity, community connectivity, and experiential quality within a single analytical model. The present study addresses this gap by proposing the SERVICE framework as an integrated, multi-dimensional instrument for evaluating experiential and omnichannel retail excellence.

Conceptual Framework: The SERVICE Model:

The SERVICE model proposes that modern retail excellence is shaped by seven interconnected dimensions, each contributing uniquely to customer satisfaction and engagement. The framework extends service quality theory to incorporate digital, experiential, and relational elements of contemporary retailing.

Conceptual Framework: SERVICE Model for Experiential and Omnichannel Retail Excellence

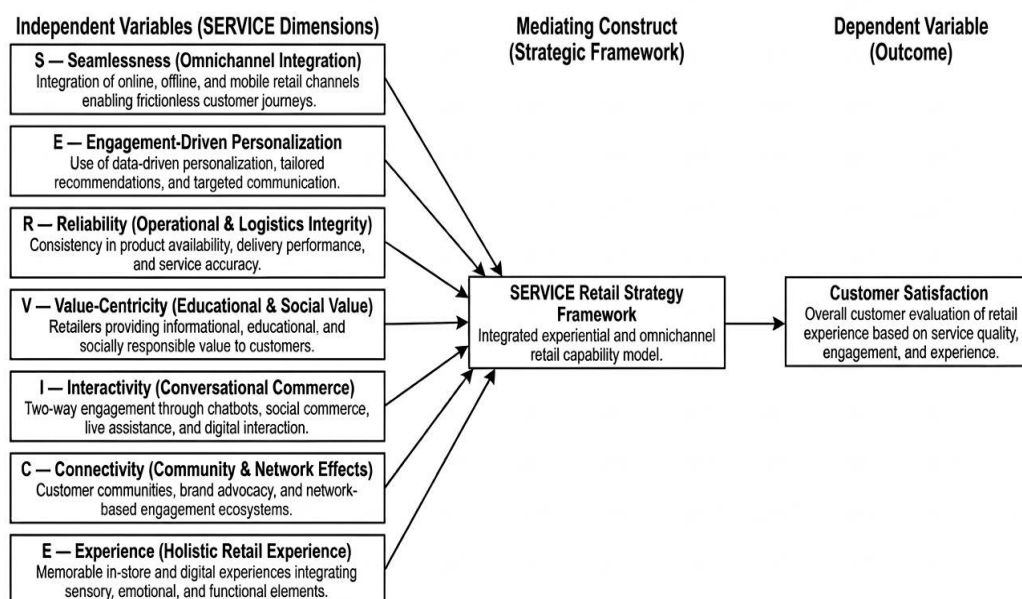


Figure 1: Conceptual Framework of the SERVICE Model

Objectives of the Study:

- To examine the impact of seamless omnichannel integration on customer satisfaction.
- To evaluate the influence of personalization, reliability, and value-centricity on retail engagement.
- To assess the roles of interactivity and connectivity in shaping customer relationships.
- To empirically validate the SERVICE framework as a predictor of customer satisfaction.

Hypothesis Development:

The study proposes seven hypotheses linking each SERVICE dimension to customer satisfaction. **Each null hypothesis (H₀) posits no significant relationship; each alternative hypothesis (H₁) posits**

a significant positive relationship:

- H1: Seamlessness → Customer Satisfaction;
- H2: Engagement-Driven Personalization → Customer Satisfaction;
- H3: Reliability → Customer Satisfaction;
- H4: Value-Centricity → Customer Satisfaction;
- H5: Interactivity → Customer Satisfaction;
- H6: Connectivity → Customer Satisfaction;
- H7: Experience → Customer Satisfaction.

These hypotheses are grounded in service quality theory (Parasuraman et al., 1988), experiential retail research (Schmitt, 1999), and omnichannel integration literature (Verhoef et al., 2015). **The decision rule for hypothesis testing is: reject H₀ if $p < 0.05$ (two-tailed).**

Research Methodology:

This study adopts a descriptive and quantitative research design. Primary data were collected through a structured survey questionnaire administered to two respondent groups: 72 retail customers and 21 retail employees, yielding a combined sample of 93 respondents. Customer respondents were selected using convenience sampling from metropolitan retail environments, while employee respondents were drawn purposively to capture operational perspectives on the SERVICE dimensions.

The survey instrument comprised 14 Likert-scale items — two per SERVICE dimension — rated on a five-point scale (1 = Strongly Disagree; 5 = Strongly Agree). All items were adapted from established retail and service quality literature and refined to reflect the conceptual boundaries of each SERVICE dimension. Demographic variables — age, gender, shopping frequency, and channel preference for customers; designation and experience for employees — were also captured.

Data analysis proceeded in four stages.

Data Analysis and Interpretation:

1. Respondent Profile

- i. First, descriptive statistics (mean and standard deviation) were computed for each dimension to assess respondent perceptions and identify performance gaps.
- ii. Second, Cronbach's Alpha was calculated to evaluate the internal consistency of the measurement scale.
- iii. Third, Pearson correlation analysis was conducted to examine bivariate relationships between each SERVICE dimension and customer satisfaction (operationalized as revisit intention).
- iv. Fourth, multiple regression analysis was performed to determine the independent predictive contribution of each dimension, with customer satisfaction as the dependent variable. Statistical analysis was conducted using appropriate quantitative software, with significance set at $p < 0.05$.

The Likert scale was interpreted using the following thresholds: 4.20–5.00 = Very Strong Agreement; 3.40–4.19 = Strong Agreement; 2.60–3.39 = Moderate Agreement; 1.80–2.59 = Weak; 1.00–1.79 = Very Weak.

Table 1: Respondent Demographic Profile

Variable	Category	Freq.	Percentage
Customer Survey (n = 72)			
Age	18–25	57	79.2%
	26–35 / 36+	15	20.8%
Gender	Male	53	73.6%
	Female	19	26.4%
Channel Pref.	Omnichannel	43	59.7%
	Physical / Online	29	40.3%
Frequency	Monthly / Occasional	50	69.4%
	Weekly	22	30.6%
Employee Survey (n = 21)			

Designation	Sales Associate	12	57.1%
	Manager / Other	9	42.9%
Experience	5+ Years	11	52.4%
	0–4 Years	10	47.6%

Source: Primary Survey Data (2026)

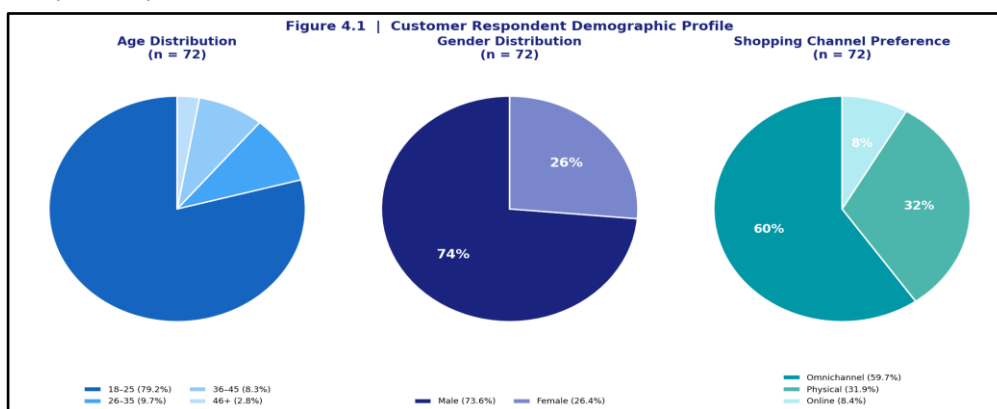


Figure 1: Customer Respondent Demographic Profile (n = 72)

The customer sample is predominantly aged 18–25 (79.2%), reflecting a digitally native consumer cohort directly relevant to omnichannel retail research. Critically, 59.7% prefer an omnichannel approach, empirically validating the study's theoretical focus. The employee sample comprises experienced retail professionals (52.4% with 5+ years' experience), lending practical credibility to the employee perspective.

2. Descriptive Statistics

Table 2a: Descriptive Statistics and Ranked Dimension Means

Dimension	Cust. Mean	SD	Interpretation	Emp. Mean	SD	Interpretation	Rank (C)	Gap (E–C)
Seamlessness	3.1875	1.1115	Moderate	3.7619	1.1138	Strong	7	+0.574
Engagement	3.9028	0.9369	Strong	3.8810	0.9474	Strong	2	-0.022
Reliability	3.5347	1.0151	Strong	4.4048	0.6823	Very Strong	6	+0.870
Value-Centricity	3.7778	0.9782	Strong	4.5000	0.7906	Very Strong	5	+0.722
Interactivity	3.8125	0.9909	Strong	4.4286	0.7121	Very Strong	3	+0.616
Connectivity	3.8056	0.9552	Strong	4.4048	0.8891	Very Strong	4	+0.599
Experience	4.0208	0.9945	Strong	4.5952	0.6823	Very Strong	1	+0.574
Overall	3.720	—	Strong	4.282	—	Very Strong	—	+0.562

Source: Primary Survey Data (2026)

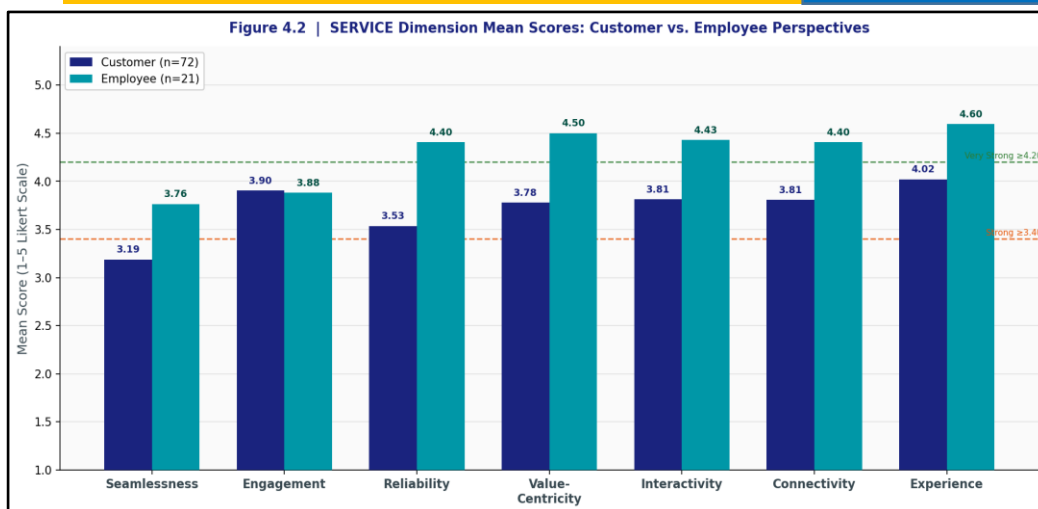


Figure 2.: SERVICE Dimension Mean Scores — Customer vs. Employee Perspectives

Experience (M = 4.021, SD = 0.995) ranks first in customer perception, attaining Strong Agreement and confirming that immersive retail environments are the most valued SERVICE dimension. Engagement (M = 3.903), Interactivity (M = 3.813), and Connectivity (M = 3.806) form a strong mid-tier cluster. Seamlessness (M = 3.188) is the sole dimension recording Moderate Agreement — the most critical underperformance in the framework. Employees consistently rate all dimensions higher than customers (overall gap: +0.562), with the largest disparities in Reliability (+0.870) and Seamlessness (+0.574), signalling material disconnects between operational intent and consumer experience.

3. Reliability Analysis

Table 3: Cronbach's Alpha Coefficients by SERVICE Dimension

Dimension	Customer α	Assessment	Employee α	Assessment	Items
Seamlessness	0.752	Acceptable	0.841	Good	2
Engagement	0.738	Acceptable	0.578	Questionable	2
Reliability	0.771	Acceptable	0.931	Excellent	2
Value-Centricity	0.846	Good	0.941	Excellent	2
Interactivity	0.735	Acceptable	0.906	Excellent	2
Connectivity	0.823	Good	0.801	Good	2
Experience	0.797	Acceptable	0.813	Good	2
Overall (14 items)	0.934	Excellent	0.938	Excellent	14

Source: Primary Survey Data (2026)

Threshold: $\alpha \geq 0.90$ = Excellent | ≥ 0.80 = Good | ≥ 0.70 = Acceptable | < 0.70 = Questionable

The overall Cronbach's Alpha of 0.934 (customers) and 0.938 (employees) confirms excellent internal consistency, exceeding the stringent 0.90 threshold. All customer-side dimension alphas meet the Acceptable criterion. The sole exception — Engagement for employees ($\alpha = 0.578$) — warrants item refinement in future iterations.

4. Correlation Analysis

Table 4: Pearson Correlation Matrix — SERVICE Dimensions and Customer Satisfaction (n = 72)

Dimension	S	E	R	V	I	C	X	Cust.Sat.
Seamlessness	1.000	0.430	0.565	0.499	0.346	0.456	0.388	0.345
Engagement	0.430	1.000	0.603	0.733	0.636	0.545	0.660	0.593
Reliability	0.565	0.603	1.000	0.710	0.637	0.592	0.662	0.589
Value-Centricity	0.499	0.733	0.710	1.000	0.690	0.711	0.801	0.639
Interactivity	0.346	0.636	0.637	0.690	1.000	0.642	0.722	0.721
Connectivity	0.456	0.545	0.592	0.711	0.642	1.000	0.697	0.630
Experience	0.388	0.660	0.662	0.801	0.722	0.697	1.000	0.724
Customer Sat.	0.345	0.593	0.589	0.639	0.721	0.630	0.724	1.000

Source: Primary Survey Data (2026)

Bold values ($r \geq 0.70$) = strong correlation. Yellow = Customer Satisfaction row/column. All correlations significant at $p \leq 0.05$.

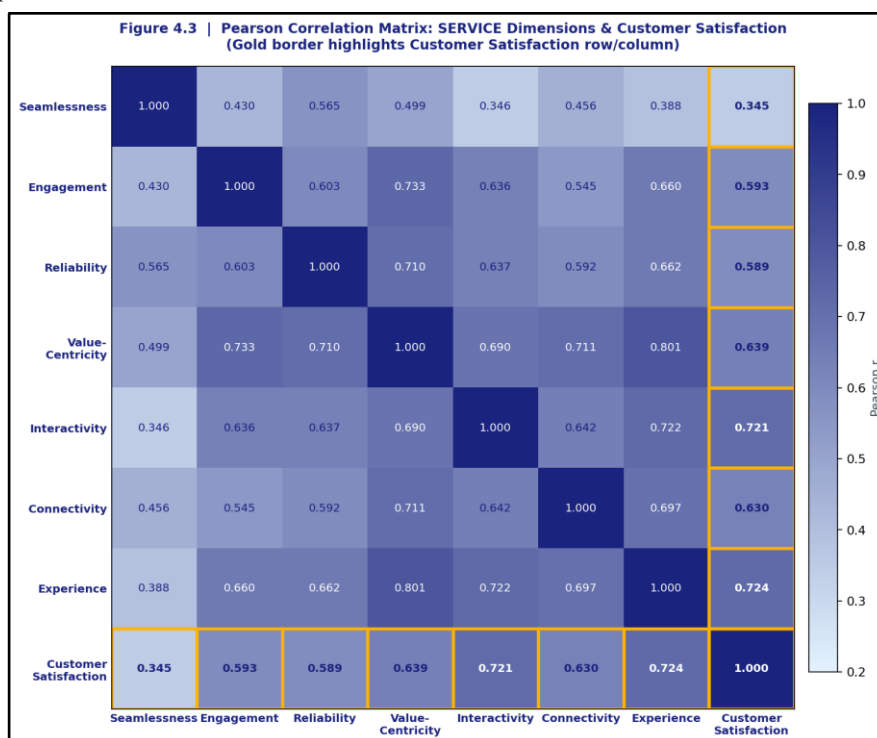


Figure 3: Pearson Correlation Heatmap — SERVICE Dimensions and Customer Satisfaction

All seven SERVICE dimensions demonstrate statistically significant positive correlations with customer satisfaction ($p \leq 0.003$). Experience ($r = 0.724$) and Interactivity ($r = 0.721$) are the strongest correlates, identifying them as primary satisfaction drivers. Value-Centricity ($r = 0.639$), Connectivity ($r = 0.630$), Engagement ($r = 0.593$), and Reliability ($r = 0.589$) are also significant.

= 0.589) register moderately strong associations. Seamlessness, while significant ($r = 0.345$, $p = 0.003$), is the weakest predictor. The high inter-dimensional correlation between Value-Centricity and Experience ($r = 0.801$), together with Interactivity ($r = 0.722$), indicates a coherent experiential-engagement core — a structural feature of the framework with implications for multicollinearity in regression.

5. Hypothesis Testing:

Table 5a: Multiple Regression Analysis — SERVICE Dimensions → Customer Satisfaction

($R^2 = 0.623$, Adj. $R^2 = 0.575$)

Predictor	β	Std. Err.	t-value	p-value	Significance	Hypothesis
Seamlessness	-0.009	0.092	-0.096	0.924	Not Significant	H1
Engagement	0.113	0.133	0.846	0.401	Not Significant	H2
Reliability	0.072	0.128	0.563	0.576	Not Significant	H3
Value-Centricity	-0.096	0.171	-0.563	0.575	Not Significant	H4
Interactivity	0.358	0.131	2.723	0.008	* Significant	H5
Connectivity	0.163	0.132	1.242	0.219	Not Significant	H6
Experience	0.360	0.153	2.348	0.022	* Significant	H7

Source: Primary Survey Data (2026)

Table 5b: Hypothesis Testing Results (Pearson r , $n = 72$)

H	Relationship Tested	r	p-value	Decision	Outcome
H ₀₁	Seamlessness → Customer Satisfaction	0.345	0.003	Reject H₀	Supported ✓
H ₀₂	Engagement → Customer Satisfaction	0.593	<0.001	Reject H₀	Supported ✓
H ₀₃	Reliability → Customer Satisfaction	0.589	<0.001	Reject H₀	Supported ✓
H ₀₄	Value-Centricity → Customer Satisfaction	0.639	<0.001	Reject H₀	Supported ✓
H ₀₅	Interactivity → Customer Satisfaction	0.721	<0.001	Reject H₀	Supported ✓
H ₀₆	Connectivity → Customer Satisfaction	0.630	<0.001	Reject H₀	Supported ✓
H ₀₇	Experience → Customer Satisfaction	0.724	<0.001	Reject H₀	Supported ✓

Source: Primary Survey Data (2026)

Decision Rule: Reject H₀ if $p < 0.05$ (two-tailed). All seven null hypotheses rejected.

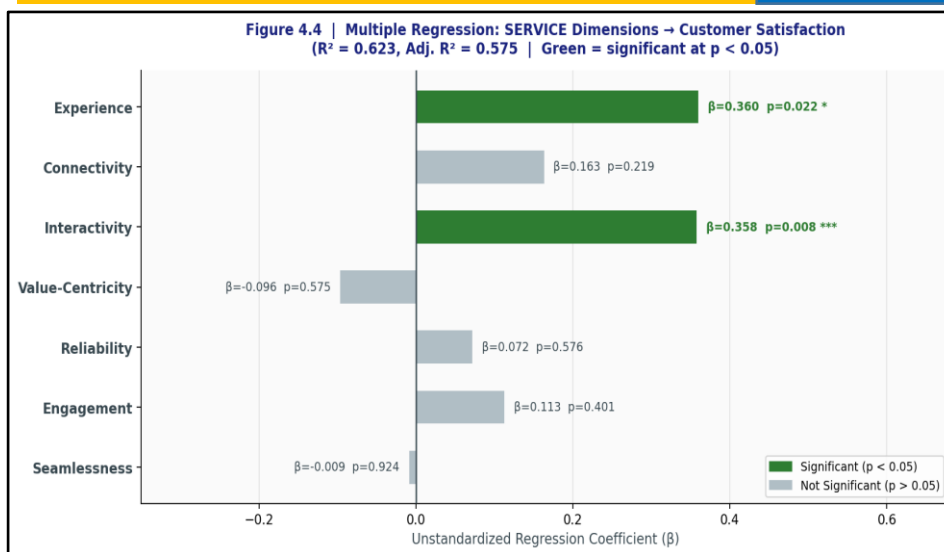


Figure 4: Regression Coefficients — SERVICE Dimensions as Predictors of Customer Satisfaction

All seven null hypotheses are rejected at the 0.05 significance level, providing comprehensive empirical validation of the SERVICE framework. The multiple regression model explains 62.3% of satisfaction variance ($R^2 = 0.623$, Adj. $R^2 = 0.575$). Within the multivariate context, Interactivity ($\beta = 0.358$, $p = 0.008$) and Experience ($\beta = 0.360$, $p = 0.022$) are the only dimensions retaining independent significance. Other dimensions lose individual significance due to high inter-dimensional multicollinearity — a structural property of the integrated framework rather than evidence of absent effect.

Findings:

The empirical analysis yields five key findings.

- i. First, Experience and Interactivity are the primary drivers of customer satisfaction ($r \approx 0.72$; $\beta \approx 0.36$, $p < 0.05$), establishing them as the strategic twin pillars of the SERVICE framework.
- ii. Second, Seamlessness ($M = 3.188$) is the most critical underperforming dimension — the sole dimension recording Moderate Agreement — reflecting unresolved operational gaps in omnichannel channel integration.
- iii. Third, a systematic employee–customer perception gap of +0.562 exists across all dimensions, consistent with the SERVQUAL service gap model and indicating that internal
- iv.

performance assessments overestimate actual consumer experience.

Fourth, high inter-correlations among Value-Centricity, Experience, and Interactivity ($r \geq 0.72$) confirm the existence of a coherent experiential-engagement core, suggesting that simultaneous investment in these dimensions yields compounding satisfaction benefits.

- v. Fifth, the measurement instrument demonstrates excellent psychometric robustness ($\alpha = 0.934$ – 0.938), and the regression model's 62.3% explained variance validates the SERVICE framework as a credible analytical instrument for evaluating omnichannel retail performance — one amenable to further validation through structural equation modelling.

Managerial Implications:

The SERVICE framework offers retail managers a structured diagnostic for enhancing customer satisfaction. Priority should be assigned to resolving the Seamlessness gap — the most underperforming dimension — through investment in unified commerce infrastructure enabling frictionless transitions between physical and digital channels. Retailers should amplify Interactivity via conversational commerce platforms and real-time digital engagement tools, given its status as a primary satisfaction driver. Simultaneously, the experiential-engagement core (Value-Centricity, Experience, Interactivity) should be developed as an integrated cluster rather than in isolation, as these dimensions generate compounding returns when reinforced together. Engagement-Driven Personalization should leverage AI-driven recommendation systems to close the gap between personalization intent and execution quality. To address employee–customer perception asymmetry, retailers should institutionalize real-time customer feedback mechanisms alongside service quality audits. Finally, investing in brand Connectivity through digital communities and loyalty ecosystems can amplify network effects that sustain long-term customer advocacy.

Limitations:

This study is subject to three principal limitations.

- i. First, data were collected within metropolitan Mumbai, restricting geographic generalizability
- ii. Second, the combined sample of 93 respondents, while appropriate for exploratory quantitative analysis, limits broad cross-sector generalization.
- iii. Third, cross-sectional self-reported data may be susceptible to perceptual bias.

Future research should employ larger, geographically diverse samples, longitudinal designs, and structural equation modelling to further validate and extend the SERVICE framework across diverse retail contexts.

Conclusion:

This study proposes and empirically validates the SERVICE framework — a seven-dimension strategic model for evaluating experiential and omnichannel retail excellence. The analysis confirms that all seven dimensions — Seamlessness, Engagement-Driven Personalization, Reliability, Value-Centricity, Interactivity, Connectivity, and Experience — significantly influence customer satisfaction, with Experience and Interactivity as the most powerful independent predictors. The framework's explanatory strength ($R^2 = 0.623$) and psychometric robustness ($\alpha \geq 0.934$) position it as a credible contribution to retail strategy research. The study advances the academic discourse on experiential and omnichannel retailing by providing an integrated, empirically grounded model that bridges theoretical constructs and practical retail strategy. It offers both researchers and practitioners a structured, validated instrument for diagnosing retail performance and designing customer-centric ecosystems suited to the demands of modern commerce.

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