The Impact of Omnichannel Retail on Customer Patronage Intentions: The Role of Consumer Empowerment, Service Failure, and Customer Satisfaction

Abstract

The effects of omnichannel integration on customers are examined in this study along with the mediating roles that customer empowerment, customer satisfaction, and service failure perform. Omni-channel retail enables order processing convergence through continuous information exchange, general operations, logistics, and operations with inventory across all channels. To gather information, 160 young Indonesian consumers who have utilized omnichannel-based applications will be questioned. In order to verify validity, reliability, and hypothesis testing, the data was processed using SMART PLS. The findings show that omnichannel integration increases consumer empowerment and satisfaction, which has a beneficial impact on purchasing intentions. The customer's intents are positively impacted by the service's failure as well. This study deepens our understanding of how multichannel shopping boosts purchase and patronage intentions by maintaining services across online and physical channels. In addition to the conclusion that customers prefer omnichannel, research on retail literature, customer experience, and e-commerce is demonstrating the ways in which internal consumer states influence consumers' buy intentions.

INTRODUCTION

The new market realities are a challenge for retailers as they have to compete to provide a consistent shopping experience to sophisticated and knowledgeable consumers across multiple channels. The rise of marketing channels in a multi-channel environment is causing many retailers to have started the process of migrating monochannel to multi-channel with the ultimate goal of becoming omni-channel **(Stojković et al., 2021).**

The recent merger of physical stores and e-commerce introduced an omni-channel strategy in the retail industry. As part of an omni-channel strategy, retailers are integrating digital and physical channels to provide a combination of offline and online information, enabling consumers to purchase products through traditional or online channels **(Shao, 2021)**.

Therefore, omni-channel retailers need to efficiently manage multiple direct sales channels as well as reverse channels to ensure the success and customer satisfaction of their logistics operations. Some work is considering the after-sales phase in relation to the previous literature on multi-channel or omni-channel customer journeys **(de Borba et al., 2021).**

In addition, omni-channel retailers work to ensure full coordination and synergy across all channels **(Hamouda, 2019)**. Customer satisfaction, sales, and satisfaction are also all benefits of a multi-channel approach. The link between total customer satisfaction and loyalty is further strengthened by the use of several channels **(Karim & Qi, 2021).** The impact of different combinations of channel integration on consumer behavior is a recurring topic of research both in practice and across academia. In particular, both stakeholders (i.e., practitioners and academics) recognize the importance of expanding business opportunities through advanced technologies that empower today's citizens . **(Prentice et al., 2019).** Since customers feel more empowered, they have more control over their buying based on their preferences, how and when they want to shop, and where they want their purchases delivered. **(Zhang et al., 2018).**

Perceived customer empowerment (PCE) plays an important role in increasing customer

satisfaction in retail transactions where awareness of such empowerment is the key to success. Therefore, perceived customer empowerment is the transfer of power and control to the consumer, motivating the consumer to participate in the trade and succeed, and achieve a much better sense of accomplishment than expected **(Castillo & George, 2018).**

This study adds to the body of knowledge in three ways by aiming to pinpoint the variables that affect consumer patronage intentions (CPI) in the context of omni-channel retail. This study is the first to demonstrate the mediating function of observed satisfaction and perceived consumer empowerment in omnichannel shopping. The study's second result is that service failure could serve as a moderating factor for both the CPI and the integration of online-offline channels (OCI). Third, this study offers recommendations on how customer satisfaction and perceived consumer empowerment effect online-offline channel integration and CPI.

Literature review and hypothesis formulation
Omnichannel Retailing
Omni-channel retail features continuous information sharing, general operations, logistics, and operations with inventory across all channels, enabling order processing convergence. This allows retailers to stay competitive in the face of increasing customer demand for a seamless and integrated shopping experience **(Z. W. Y. Lee et al., 2019)** .However, from a consumer's point of view, an important feature of the omni-channel retail approach is that consumers can use the channel they are most comfortable with during the consumer journey to receive relevant information that best suits their needs. is. Consumers can choose the channel, time and method of retail interaction. The retail technology used in-stores needs to improve the customer experience **(Hsia et al., 2020).**

The intelligent and complex integration of these channels provides customers with a seamless experience where different channels interact and are used simultaneously. The omni channel experience provides a smooth and intuitive transition between channels at every touchpoint in your customer journey, addressing customer preferences, needs, and behavior **(Ameen et al., 2020).** Online channels encounter difficulties with emotional and sensory information, but offline channels frequently experience concerns with accessibility, categorization, pricing, and time costs. Organizations have concentrated on merging online and physical channels with multi-channel shopping because merchants may make up for the inherent shortcomings of each option and respond to the variety of consumer preferences across channels. **(Bell et al., 2018).**

In the development of Omnichannel Retailing in Indonesia, Omni-channel is not new in Indonesia. In fact, many domestic brands have omni-channel marketing strategies. These brands are proving that omni-channel marketing can improve performance. Several brands have implemented an omnichannel marketing strategy, namely Bukalapak, which has implemented an omni-channel strategy to allow online and offline diversification across various product lines and programs. In addition, Tokopedia as one of the unicorn startups in Indonesia, also uses this strategy to make the shopping experience as smooth as possible. This is supported by the large number of Tokopedia users throughout Indonesia, with around 250 million products, 7.2 million sellers and 35 digital products. Bank BNI has also used this strategy since 2018 for their banking services. The omnichannel technology they developed started from the Service Oriented Architecture (SOA) **(Asia Quest Indonesia, 2022).**

Consumer empowerment theory
According to the empowerment theory, people desire to be in control of the choices that affect their social, professional, and private lives. The freedom and power that customers feel while making decisions is referred to as consumer empowerment in marketing. **(Mishra et al., 2022).** Consumers may develop the confidence to buy more wisely by giving them more say in the decision-making process when it comes to their purchases. **(Flavián et al., 2019).**

From the perspective of consumer sovereignty, the degree of empowerment is explained by the skills, knowledge, and motives or actions of consumers to protect the interests of consumers. **(Nam, 2019).** This poses a challenge for marketing professionals, as changes in consumer perceptions have a significant impact on the relationship between consumers and service

providers. Different meanings and ideologies increase the complexity of the concept and are therefore not conducive to practical use. For those who want to make empowerment a strategic tool, it is important to have a solid conceptual foundation **(Buehler & Maas, 2018).**

On the integration of online and offline channels and customer patronage intention, perceived consumer empowerment has a mediating effect.

Channel integration using technology enhances the customer experience throughout the purchasing process and enables the customer to manage the experience **(Flavián et al., 2019).** In addition, the effect of these online reviews / complaints / suggestions is stimulated through the way time miles are placed and shows the confidence that customers have before discovering the product offline **(Orús et al., 2019).**

As they exercise control over information, options, and decisions, consumers feel empowered by channel integration. In the context of omnichannel distribution, customers may compare and evaluate items online, accumulating as much data as they can before the shop closes. Above all, they have autonomy in choosing distribution mechanisms and payment methods **(Thaichon et al., 2020)** . Customer empowerment's impact on online channel patronage intentions has been identified, however it is no longer there for offline channel patronage intentions. **(Shakir Goraya et al., 2022)** . Customers are more likely to identify a retailer's advantages and exhibit a greater willingness to continue with it as a result of channel integration's advantages for connection, engagement, collaboration, and decision-making. The following hypotheses might be put forth in order to experimentally evaluate the mediating influence of perceived buyer empowerment on the link between the integration of online and physical channels and purchasing intentions.

H1. Through the mediating effect of perceived consumer empowerment, integration of online and offline channels positively influences CPI.

Mediating the effects of perceived customer satisfaction on the integration of online and physical channels and consumer purchase intentions.

Authorized consumers are known to have greater control over the buying process and greater consumer control to better align their individual needs with market offerings **(Zhang et al., 2018).** Through webrooming, OCI makes it easier for customers to compare products before making a purchase. Webrooming, as opposed to showrooming, has a better impact on the customer's sense of entrance, perceived cost, and sense of pride (i.e. searching offline when shopping online) **(Viejo-Fernández et al., 2019)**. Webrooming, i.e. viewing products online at the same time as buying them offline, offers consumers self-assurance and a smart shopper feeling, which has an impact on consumer satisfaction. Channel integration is undoubtedly related to client experience, enjoyment and buying behavior **(Mishra et al., 2022)**. Both high quality reviews and feelings will influence consumers' affective judgments such as perceived satisfaction. However, perceived customer satisfaction (PSA) did not appear to affect sponsorship intentions. It has received much research, particularly in channel integration. Therefore, this study makes the following assumptions in an effort to close the gap:

H2. Through the mediating effect of perceived satisfaction, online-offline channel integration has a positive impact on CPI.

service failure's mediation effects on online-offline integration and customer purchase intentions

Given that satisfaction is more important than service quality in influencing purchase intention, high satisfaction is expected to motivate repeaters. In addition, service failure (SFA) to handle dissatisfied customers results in negative reviews and loss of existing and potential customers **(Jeon & Kim, 2016)**. If a service provider goes down, customers will reevaluate the quality and assurance of their service, and they are more likely to change their initial choice, especially when the level of competition is high.

Online service failure may have a negative effect on offline stores, as the spillover effect in brick and click service mode and previously

has not been well understood by the previous literature despite a large number of studies confirming the positive form of click service overflow effect **(Wang & Zhang, 2018).** As online service failures worsen, the customer's tolerance zone narrows, increasing the likelihood of customer dissatisfaction. Online customer satisfaction is vulnerable to online service failure because the internet reduces information asymmetry and has more alternatives and lowers the cost of switching to consumers. look for that service elsewhere **(Damangir et al., 2018).** The third hypothesis is thus proposed as follows:

H3. Through the role of perceived service failure, online-offline channel integration has a negative influence on CPI.

The association between consumer purchase intentions and perceived customer satisfaction and perceived consumer empowerment as mediators of online-offline channel integration.

Since it gives them more information and options, channel integration helps both merchants and customers more. By giving customers information and control over their choices, empowerment lowers their level of apprehension and perplexity. To give their consumers more control, retailers frequently combine offline and online channels, which increases customer happiness. **(Reid et al., 2016).** The extent to which customers feel empowered, nevertheless, relies on their capacity to recognize relevant information, assess competing offerings, and fulfill their requirements with the least amount of effort. **(Mishra et al., 2022).** Results from consumer referrals come from empowering customers, with pleasure acting as the primary mediator. **(Zhang et al., 2018).** These data serve as the foundation for this study, which aims to evaluate the sequential mediating effects of perceived consumer empowerment and perceived pleasure on the link between channel integration and customer purchase intentions. The following hypothesis is suggested :

H4. Online-offline channel integration and CPI are related through perceptions of perceived customer empowerment and satisfaction, respectively.

Figure 1 Conceptual Framework
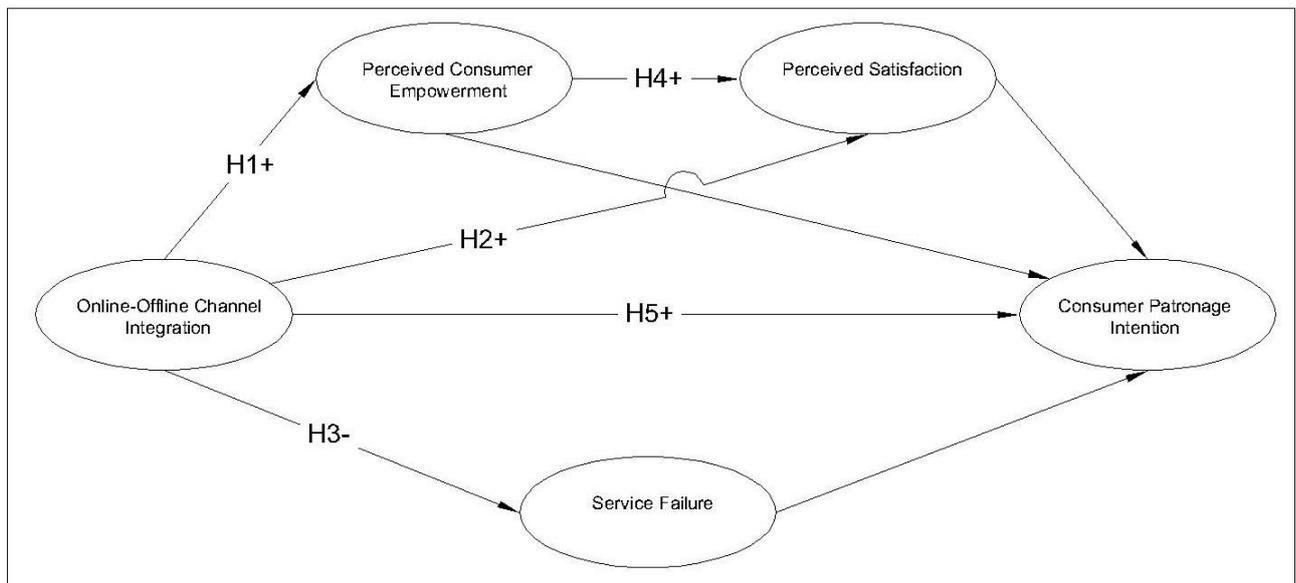
Consumer patronage intent and the integration of online and offline channels.

The majority of buyers often make purchases using both physical and digital (i.e. tangible) channels **(Sopadjieva et al., 2017).** Based on consumer shopping patterns across integrated channels, existing literature looks at the impact of online and offline channel integration from different perspectives **(Zhang et al., 2018).** The perceived risk by consumers of the unavailability of a product is minimized through self-service information portals provided in offline stores, which offer the possibility for consumers to use online and offline channels **(Shakir Goraya et al., 2022).** Due to technological advances and improved customer experience, physical channel integration is increasing more than expected **(Li et al., 2018).** OCI must nevertheless incorporate a variety of marketing mix, information access, order fulfillment, transaction information, and customer service components **(W. Lee, 2020).** Based upon this discussion, the following hypothesis is proposed:

H5. Online–offline channel integration positively affects CPI

RESEARCH METHODS

The method used in this study using a questionnaire. The data is taken from consumers who come from the country of Indonesia. The purpose of this study focuses on young consumers aged 20 to 25 years, namely those born between the millennial generation (1981-1994) to generation z (1995-2010) who are familiar and proficient in the digital world and have a lot of experience in omnichannel shopping **(Siti Nur Aeni, 2022).**

Sample and Procedure

To find out how the effects of online-offline channel integration, consumer empowerment, customer satisfaction, and service failure on customer patronage intention, an online survey was conducted on customers who have used an omnichannel retail-based application. The survey was distributed through google forms and disseminated using social media channels. The criteria for participants are the population between the ages of 15 years and more than 50 years and over. In addition to age, gender and education are also considered to be representative of

decision makers in this study and do not attribute the results to any particular group. Participants were selected randomly and with different educational backgrounds and ages. Correspondents are also given the freedom to choose when they complete the survey and how much time they devote to filling out the questionnaire.

Prior to the survey, the scales and items were tested in consultation with industry and marketing experts. The survey was refined again before being sent to participants. In the questionnaire section there is an introductory page that briefly explains the topics discussed in this study. In this study, participants were asked to answer whether they had ever used an omnichannel retail-based application or not. If not, they can complete the survey by pressing the submit button and if the participant has used it, then the participant can continue the questionnaire.

After distributing the questionnaires, a total of 160 responses were obtained by removing 2 incomplete answers. Among 160 responses, around 31.6% use Tokopedia and Shopee as their omnichannel retailing-based applications. About 53.8% of the 160 responses were male and 46.2% were female. Then from the responses obtained, 63.9% are people aged 20 to 25 years and 77.2% are bachelor's degrees.

Measures

In the measurement of this study using a five-point linear scale with a value of 1 representing strongly disagree and a value of 5 being strongly agree except for the control variable. The scale refers to a measure of how a person agrees or disagrees with the statement on each item. From previous studies, we have selected configuration items and scales for measurement. For example, the online-offline channel integration structure has four elements adapted from **(Li et al., 2018).** Adjusted Perceptual Satisfaction (3 item scale) and CPI item (3 item scale) **(Zhang et al., 2019).** The next three items are customized service failures from **(Jeon & Kim, 2016)** . The five-point scale adopted to measure consumer empowerment comes from **(Zhang et al., 2018).**

RESULTS AND DISCUSSION
Validity Test

The definition of instrument validity in the context of quantitative research has been proposed by research method experts as a measure of what they want to measure. This

means that the validity of a study depends on how much the researcher wants to measure. Specifically, the validity of a study is based on evidence, objectivity, truth, reasoning, reasons, facts, and opinions based on numerical data **(Pallant, 2020).** The validity test for this study was carried out using the Convergence Validity Criteria. This is done by showing that the statement for each latent variable can be understood by the respondent according to the research intent (Ghozali, 2018)**.**

The loading factor value shows the correlation between the indicator and the structure. An indicator with a low loading value indicates that the indicator does not work on the measurement model. The expected loading factor value in this study is > 0,7.

Reliability Test

The main purpose of testing the reliability of research equipment is to do this. Measuring the consistency of the measuring tools used by quantitative researchers. In this case, the researcher wants to see if the measurement is correct at different times in the same sample. In other words, a questionnaire is considered reliable if the instrument can provide consistent assessment results for each measurement. Therefore, the measuring instrument (item / question item) provides consistent measurement results at various time points **(Budiastuti & Bandur, 2018).** Cronbach's alpha reliability factor is typically between 0 and 1. In reality, there is no lower bound on the coefficient. The closer the Cronbach's alpha factor is to 1.0, the better the internal consistency of the items in the scale **(Gliem & Gliem, 2003).** The most appropriate internal consistency test used is Cronbach's Alpha also known as alpha coefficient. The range of alpha coefficient values starts from 0 (no reliability) and 1 (perfect reliability). The alpha coefficient ranges from 0 (no reliability) and 1 (perfect reliability). Cronbach's alpha is acceptable if > 0,6 **(Ghozali, 2018)**.

Processing Results of Validity, Reliability and Descriptive Statistics Testing

In testing the validity and reliability for the Online-Offline Channel Integration variable (OCI), which consists of 4 measurement indicators, the variable values are valid and reliable. This is indicated by the loading factor> 0.7, namely the variable is valid and the Cronbach Alpha value is 0.780 > 0.6, which means that all items in the variable are reliable. Based on the results of respondents' responses to the OCI variable, the results

obtained are good responses, namely the mean value of 4.1725, which is greater than the standard deviation of 0.72044. This means that the values on this variable indicator are increasingly similar or accurate to the mean. The standard deviation that is close to zero means that the answers from the respondents are close to homogen and do not experience large deviations.

Furthermore, for testing the validity and reliability of the Consumer Empowerment (PCE) variable which includes 3 indicators, it produces a valid and reliable variable value. This is indicated by the load factor value> 0.7, which is a valid variable, and the Cronbach Alpha value of 0.653> 0.6 which means that all elements of the variable are reliable. Based on respondents' responses to the PCE variable, a good answer was obtained, namely the mean of 4.1013, which was greater than the standard deviation of 0.64036. This means that the indicator value of this variable is similar to or more precise to the mean. The standard deviation that is close to zero means that the answers from the respondents are close to homogeneous and do not experience large deviations.

Another validity and reliability test for the Perceived Satisfaction (PSA) variable, which consists of 3 measurement indicators, produces valid and reliable variable values. This is indicated by the loading factor > 0.7, namely the variable is valid and the Cronbach Alpha value is 0.778 > 0.6, which means that all items in the variable are reliable. Based on the results of respondents' responses to the PSA variable, the results obtained are good responses, namely the mean value of 4.2595, which is greater than the standard deviation of 0.56008. This means that the values on this variable indicator are increasingly similar or accurate to the mean. The standard deviation that is close to zero means that the answers from the respondents are close to homogeneous and do not experience large deviations.

Furthermore, for testing the validity and reliability of the Service Failure (SFA) variable which includes 4 indicators, it produces a valid and reliable variable value. This is indicated by the load factor value> 0.7, which is a valid variable, and the Cronbach Alpha value of 0.814> 0.6 which means that all elements of the variable are reliable. Based on the respondents' responses to the SFA variable, a good answer was obtained, namely the mean of 4.5316, which was greater than the standard deviation of 0.53443. This means

that the indicator value of this variable is similar to or more precise to the mean. The standard deviation that is close to zero means that the answers from the respondents are close to homogeneous and do not experience large deviations.

The last test of validity and reliability is for the Consumer Patronage Intention (CPI) variable, which consists of 3 measurement indicators resulting in valid and reliable variable values. This is indicated by the factor loading> 0.7, which means that the variable is valid and the Cronbach Alpha value of 0.809 > 0.6, which means that all items on the variable are reliable. Based on the results of respondents' responses to the CPI variable, the results obtained are good responses, namely the mean value of 4.1582, which is greater than the standard deviation of 0.65239. This means that the values on this variable indicator are increasingly similar or accurate to the mean. The standard deviation that is close to zero means that the answers from the respondents are close to homogeneous and do not experience large deviations.

Table 1 Results of Validity, Reliability and Descriptive Statistics Testing

No	Variabel	Outer Loading	Cronbach Alpha	Mean	Std. Deviation
1	**Online-Offiline Channel Integration**		0.780	**4,1725**	**0,72044**
1.1	**OCI1** Situs web mengiklankan toko fisik dengan memberikan alamat dan informasi kontak toko fisik	0.743		4,1139	0,98378
1.2	**OCI2** Situs web memungkinkan pelanggan untuk mencari produk yang tersedia di toko fisik	0.733		4,2342	0,90411
1.3	**OCI3** Situs web menyoroti promosi di dalam toko yang sedang berlangsung di toko fisik	0.844		4,0886	0,89143
1.4	**OCI4** Pusat layanan pelanggan di dalam toko menerima pengembalian, perbaikan, atau penukaran produk yang dibeli secara online	0.767		4,2532	0,93711
2	**Perceived Consumer Empowerment**		0.653	**4,1013**	**0,64036**
2.1	**PCE1** Berbicara dengan penjual dan/atau mengunjungi situs web retailer membantu saya membandingkan harga dan kualitas barang di toko dengan pesaing lain	0.745		4,2848	0,76626
2.2	**PCE2** Melalui berbagai media sosial, retailer memberi saya kesempatan untuk belajar tentang pengalaman/pilihan konsumen lain	0.825		4,1962	0,76098
2.3	**PCE3** Melalui email, SMS, promosi di dalam toko, dan sistem komunikasi POS, retailer memberikan informasi yang relevan tentang barang, merek, dan penggunaan	0.729		3,8228	0,96775
3	**Perceived Satisfaction**		0.778	**4,2595**	**0,56008**
3.1	**PSA1** Secara umum, saya senang dengan pengalaman berbelanja menggunakan salah satu aplikasi berbasis omnichannel retailing	0.836		4,4873	0,60505
3.2	**PSA2** Secara umum, saya senang dengan kualitas layanan yang diberikan retailer didalam aplikasi yang saya gunakan	0.843		4,2532	0,66712
3.3	**PSA3** Secara umum, pilihan saya untuk membeli dari pengecer ini adalah pilihan yang bijaksana	0.817		4,038	0,7477
4	**Service Failure**		0.814	**4,5316**	**0,53443**
4.1	**SFA1** Lambat atau tidak tersedianya layanan chat dapat mempengaruhi service evaluation	0.708		4,4494	0,75332
4.2	**SFA2** Cacat produk atau layanan dapat mempengaruhi service evaluation	0.820		4,6329	0,6010
4.3	**SFA3** Informasi yang buruk atau salah dapat mempengaruhi service evaluation	0.831		4,6139	0,60491
4.4	**SFA4** Kesalahan pengemasan dapat mempengaruhi service evaluation	0.833		4,4304	0,72593
5	**Consumer Patronage Intention**		0.809	**4,1582**	**0,65239**
5.1	**CPI1** Saya kemungkinan akan membeli produk dari retailer ini	0.880		4,1835	0,71239
5.2	**CPI2** Saya cenderung merekomendasikan retailer ini kepada teman-teman saya	0.828		3,9684	0,85526
5.3	**CPIN3** Saya kemungkinan akan melakukan pembelian lagi dari retailer ini jika saya membutuhkan produk yang akan saya beli	0.843		4,3228	0,7338

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Fit Model Test

The model fit test is a test that must be carried out as a prerequisite before testing the research hypothesis using the SEM model shown in Figure 2.

In the fit model test, there are several analyzes that can be used and one of them is using the coefficient determination R-Square and Adjusted R Square

### *Coefficient determination : R-Square and Adjusted R Square*

Furthermore, model testing is carried out by paying attention to the RSquare value which is a model fit test for the PLS-SEM internal model output. The coefficient of determination (R-squared) is a way to assess how much an endogenous construct can be explained by an extrinsic construct. The coefficient of determination (R-squared) is expected to be between 0 and 1. R Square values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak (Sarstedt et al., 2022).

While the Adjusted R Square is the R Square value that has been corrected based on the standard error value. Adjusted R Square value provides a stronger picture than R Square in assessing the ability of an exogenous construct to explain endogenous constructs.

Based on the results of the analysis using SMART PLS, the results are shown in table 2 below with the following explanation:

1. For the Perceived Customer Empowerment (PCE) variable, the R-Square value is 0.151 with an adjusted r-square value of 0.146. So, it can be explained that the independent variable, namely online-offline channel integration (OCI) affects PCE by 0.146 or 14.6%. Because the adjusted r square value is less than 25%, the OCI variable on PCE is categorized as weak. In addition, the remaining 85.4% is a variation of other independent variables that affect PCE but are not included in the model.

2. The Service Failure (SFA) variable model results in an R-Square value of 0.027 with an adjusted r-square value of 0.021. So, it can be explained that the independent variable, namely online-offline channel integration (OCI) affects SFA by 0.021 or 2.1%. Because the adjusted r square value is less than 25%, the OCI variable to SFA is included in the weak category. In addition, the remaining 97.9% are variations from other independent variables that affect SFA but are not included in the model.

3. For the Perceived Satisfaction (PSA) variable, the R-Square value is 0.438 with an adjusted r-square value of 0.431. So, it can be explained that the independent variables, namely OCI and PCE, affect PSA by 0.431 or 43.1%. Due to the adjusted r-square value between 25% and 50%, the OCI & PCE variable on PSA is in the category close to moderate. In addition,

Figure 2 Model PLS

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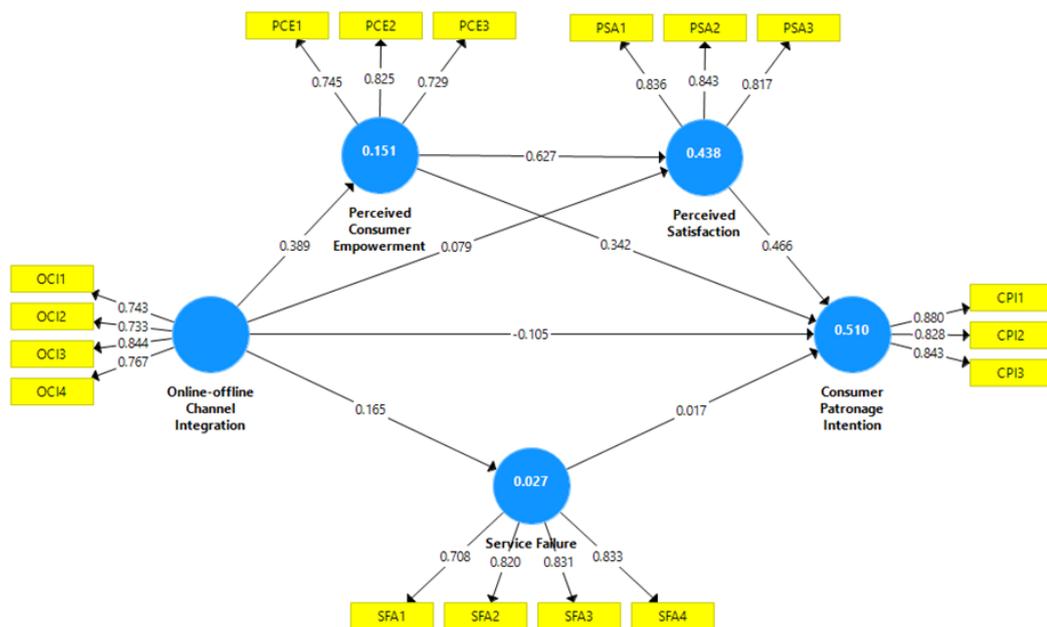
the remaining 56.1% is a variation of other independent variables that affect PSA but are not included in the model.

4. The Customer Patronage Intention (CPI) variable model obtained an R-Square value of 0.510 with an adjusted r-square value of 0.497. So, it can be explained that the independent variables, namely OCI, SFA, and PCE affect the CPI by 0.497 or 49.7%. Because the adjusted r square value is 50%, the OCI, SFA, and PCE variables to the CPI are categorized as moderate. In addition, the remaining 50.3% are variations from other independent variables that affect CPI but are not included in the model.

Table 2 Coefficient Determination

Construct	R Square	R Square Adjusted
Consumer Patronage Intention	0.510	0.497
Perceived Consumer Empowerment	0.151	0.146
Perceived Satisfaction	0.151	0.431
Service Failure	0.027	0.021

Hypothesis test

Bootstrapping analysis, which only produces a significance level. In testing this hypothesis, PLS SEM bootstrapping tools are used, which use direct effects and indirect effects. The results obtained for the hypothesis test as shown in table 3 below.

In the test results for hypothesis 1, it was found that the magnitude of the OCI variable parameter factor on the CPI mediated by PCE was 0.133. This means that there is a positive indirect effect of OCI on CPI mediated by PCE. Or, it can be interpreted that OCI will increase CPI through PCE's mediating role by 13.3%. Based on calculations using bootstrap or resampling, the results of OCI testing on CPI through the mediating role of PCE obtained results of 0.133, t count of 3.039, and standard deviation of 0.044. In this case, the p-value is 0.003 < 0.05 so that H1 is accepted, which means that the positive indirect effect of OCI on CPI through the mediating role of PCE is significant or statistically significant.

In the test results for hypothesis 2, it was found that the magnitude of the OCI variable

parameter factor on the CPI mediated by PSA was 0.037. This means that there is a positive indirect effect of OCI on CPI mediated by PSA. Or, it can be interpreted that OCI will increase CPI through PSA's mediating role by 3.7%. Based on calculations using bootstrap or resampling, the results of OCI testing on CPI through the mediating role of PSA obtained results of 0.037, t count of 1.102, and a standard deviation of 0.034. In this case, the p-value 0.271 <0.05 so that H0 is accepted, which means that the positive indirect effect of OCI on CPI through the mediating role of PSA is not significant or statistically significant.

In the test results for hypothesis 3, it was found that the magnitude of the OCI variable parameter factor on the CPI mediated by PCE and PSA was 0.114. This means that there is a positive indirect effect of OCI on CPI mediated by PCE and PSA. Or, it can be interpreted that OCI will increase CPI through the mediating role of PCE and PSA by 11.4%. Based on calculations using bootstrap or resampling, the results of OCI testing on CPI through the mediating role of PCE and PSA obtained results of 0.114, t count of 3.482, and standard deviation of 0.033. In this case, the p-value is 0.001 < 0.05 so that H1 is accepted, which means that the positive indirect effect of OCI on CPI through the mediating role of PCE and PSA is statistically significant or significant.

In the results of testing hypothesis 4, it was found that the magnitude of the OCI variable parameter factor in the CPI mediated by SFA was 0.003. This means that there is a positive indirect effect of OCI on CPI mediated by SFA. Or it can be interpreted that OCI will increase CPI through the mediating role of SFA by 0.3%. Based on calculations using bootstrap or resampling, the results of OCI testing on CPI through the mediating role of SFA obtained results of 0.003, t count 0.172, and standard deviation 0.017. In this case, the p-value is 0.864 <0.05, so that H0 is accepted or which means that the negative indirect effect of OCI on the CPI through the mediating role of SFA is not statistically significant or significant.

Table 3 Research Hypothesis Testing

found that the magnitude of the OCI variable

Hipotesa	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
OCI -> PCE -> CPI	0,133	0,133	0,044	3,039	0,003
OCI -> PSA -> CPI	0,037	0,041	0,034	1,102	0,271
OCI -> PCE -> PSA -> CPI	0,114	0,115	0,033	3,482	0,001
OCI -> SFA -> CPI	0,003	0,006	0,017	0,172	0,864
OCI -> CPI	-0,105	-0,098	0,068	1,536	0,125

In the test results for hypothesis 5, the results showed that the parameter factor for the OCI variable for CPI is -0.105. This means that there is a direct negative effect of OCI on CPI. Or, it can be interpreted that the higher the OCI value, the lower the CPI value. Adding 1 unit to OCI will decrease CPI by -10.5%. Based on calculations using bootstrap or resampling, the results of the OCI estimation factor test and bootstrap CPI results are -0.105, t count is 1.536, and standard deviation is 0.068. In this case, the p-value is 0.125 <0.05 so that H0 is accepted or which means that the positive direct effect of OCI on CPI is not significant or statistically significant.

CONCLUSION

This study shows that online-offline channel integration (OCI) has a positive impact on customer patronage intention which is mediated by the influence of consumer empowerment. This means that if a retailer provides customers with the information and tools they need to make a decision in choosing the desired item or thing in the context of omnichannel retailing, it will increase customer patronage intention . As for what can be done by giving customers the opportunity to talk to the seller or visiting the website to help customers compare prices and quality. In addition, product-related information can also be disseminated on various social media to provide opportunities for customers to learn about other consumers' experiences or choices.

This study also reveals that OCI also has a positive impact on increasing CPI which is mediated successively by Perceived Customer Empowerment and Perceived Satisfaction. This shows that if customers feel well served, given information about the product and what they want from the product, it creates customer satisfaction and, of course, this will increase customer patronage intention. But it should be noted that service failure at OCI will create customer patronage intention. It is proved that the third hypothesis is not accepted . Therefore, it is necessary to pay attention to always maintaining services both on online channels and offline channels in order to increase customer patronage intention.

This study improves our understanding of how omnichannel retail contributes to the maintenance of services across online and offline channels, which ultimately results in increased sales and patronage intentions. This study contributes to the literature in the areas of retail, customer experience, and e-commerce by illuminating the processes through which customers' internal states impact their purchase intentions in addition to the finding that people rate multichannel retailers more positively. Further, this research empirically supports the sequential mediating effects of perceived consumer empowerment and impact of service failure on the relationship between channel integration and CPI, in addition to the direct mediating effects of perceived consumer empowerment, consumer satisfaction, and relationship between channel integration and CPI.

Online-offline integration is a step towards advanced digital transformation, which may be achieved by combining chatbots, virtual reality, analytics, and other advanced collaborative business models with advanced collaborative business models, such as platform ecosystems, to offer value. More study is required in this area by highlighting the concrete and intangible advantages of multi-channel integration.

This study provides insight to managers who certainly work in the retail and related industries that online-offline channel integration not only provides online access to product information but also requires good planning. In addition, the mechanism that affects OCI is by empowering consumers. This suggests that more consumer empowerment will result in increased customer pleasure and patronage intentions. It is also necessary for managers to pay attention to how important it is to always maintain service both on online and offline channels. Of course, failure in these services will reduce customer patronage intentions and this will have an impact on the industry's income.

Future studies might potentially employ unstructured review data from social media, where users expressly declare their preferences, to comprehend the aspects that contribute to increased footfall rates. In addition, this study also does not take into account the impact of types of products such as tangible and intangible or cheap and expensive goods. This certainly has an important role in understanding consumer behavior in the context of omnichannel retail.

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