

The impact of Covid-19 on customer journeys: implications for interactive marketing

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Abstract

Purpose – The Covid-19 pandemic and the related closures and lockdowns have changed how consumers shop for products and how they consume them. In this paper, the authors focus on how customers' journeys from the awareness stage down to purchase and loyalty stages have been impacted by the pandemic across different product categories and markets and how they affect the same post-pandemic. The authors propose directions for future research based on our analysis.

Design/methodology/approach – Analyzing the components of customer utility, the authors provide the basis for the rapid shift towards online and digital touchpoints and the nature of emerging interactions between firms and consumers. The authors highlight those areas where changes could be permanent.

Findings – The authors show why some of the changes due to the Covid-19 pandemic could be permanent and irrevocable and what this implies for firms' strategies to acquire, retain, and grow their business with their customers.

Originality/value – The authors highlight why omnichannel strategies are the way for firms to thrive in the post-pandemic marketplace, and outline areas for future research that will allow researchers to examine how customer journeys will evolve post-pandemic.

Keywords Internet marketing, Consumer behavior Internet, Customer experience, Multi-channel measurement, Online consumer behaviour, Consumer shopping

Paper type Research paper

Introduction

Covid-19 has changed the landscape for households, the workforce and businesses in many ways. Closures and restrictions have impacted how households spend their time, shop for products and engage in work, school and leisure activities. Many of the lifestyle changes that have emerged are a result of consumers being unable to gather safely with others but still desiring personal connections and entertainment. Households are spending significantly more time at home, forcing them to perform their leisure and recreational activities also at home. Many are connecting, albeit virtually, with friends and family even more than they did prior to the Covid-19 pandemic, given the removal of geographical boundaries with video technology such as Zoom (e.g. Heil, 2020). Virtual social games such as escape rooms and trivia are replacing their in-person versions, allowing for friends from any geographic location to participate (e.g. Amenabar, 2020). Many consumers are exploring new hobbies and activities. Video gaming and streaming are increasing (Sherman and Huth, 2020). Hiking, camping and other outdoor excursions are more popular, and visits to parks have soared (Rott, 2020). Consumers are spending more on products for outdoor spaces such as patio furniture, playsets and fire pits to safely gather at home (e.g. Chaker, 2020; Miller, 2020). Sales for products related



to home improvement and décor also increased during 2020 (e.g. [Sherman and Huth, 2020](#)). With gym memberships losing value amidst forced closures and group fitness class cancellations, many consumers are exercising at home. Backorders for the popular Peloton bike have surged (e.g. [Biron, 2020](#)). With more time at home and a desire for companionship, it is not surprising that pet adoptions are on the rise (e.g. [Hedgpeth, 2021](#)). Most activities that require proximity to others have decreased. Travel and tourism have declined (e.g. [Shepardson, 2020](#)), as have in-person social gatherings and celebrations (e.g. [Rizzo and Kellman, 2020](#)). Festival and concert season was largely canceled in 2020 and remains uncertain in 2021 (e.g. [Chan, 2021](#)).

More practical aspects of daily life, such as healthcare, banking and education, have also been impacted. With advances in video communication technology, telehealth visits with healthcare providers are more common and can be beneficial for efficiency, cost, reach and satisfaction (e.g. [Jordan, 2020](#); [Ortholive, 2018](#)). With physical bank locations closing, consumers are forced to complete many banking transactions remotely using digital applications or websites. K-12 and higher education are also being delivered remotely in many places (e.g. [Lieberman, 2020](#)), as are recreational classes such as dance, yoga, sports and nature camps (e.g. [Lee, 2020](#)).

The workforce has largely shifted to remote teleworking, resulting in changing needs for related products, such as meals, professional apparel and technology and office products to remain connected and productive from home. The loss of childcare for many dual-career households has resulted in challenges of time management and balancing the demands of work and household tasks. The trickle-down effects of these shifts result in many changes in marketplace behavior. Food delivery and meal kit spending increased as restaurants were forced to close or reduce capacity, and consumers found themselves with less time to prepare meals ([Sherman and Huth, 2020](#)). Consumers spent more on athletic and athleisure apparel and less on professional clothing in 2020 ([Sherman and Huth, 2020](#)). The high demand for broadband Internet service, practically a necessity to effectively telework, remains unmet in many areas ([Pressgrove, 2020](#)). Technology products related to email, chat/messaging, phone, web conferencing, screen sharing, cloud storage, collaboration and project management are also critical to teleworking (e.g. [Boudinet, 2020](#)) and have experienced increases in consumption.

As a result of these environmental trends, consumers have also changed how they shop for products, and firms have had to change their business models repeatedly to stay afloat as distancing guidelines and personal risk aversion have forced their customers to avoid physical stores and shop from home. While online shopping has been on the rise or quite some time now, the Covid-19 pandemic has forced it upon many who were previously averse (e.g. [Kannan, 2020](#)). Since many consumers prefer to avoid physical stores and remain contactless for pandemic-related safety reasons, they have had to start making purchases online using traditional websites or mobile applications. This is true even for consumers who have long-preferred physical stores and even for products for which an in-person experience can be critical (e.g. [Kannan, 2020](#)). In addition to the actual “browsing” and “buying” taking place online, the fulfillment of products has also changed during the pandemic. Many services are delivered virtually with the use of technology (e.g. consultations, counseling) (e.g. [Calkins, 2021](#)). Physical goods are delivered to the consumer’s home or available for curbside pick-up to remain contactless (e.g. [Maynard, 2020](#)). Many of the conveniences associated with these innovative responses to Covid-19 suggest that they may become part of the long-term marketplace, even after the pandemic subsides (e.g. [Jansen, 2020](#)).

In sum, the Covid-19 pandemic and the related closures and restrictions have been disruptive to daily life in many ways as we have seen above, and this has spillover over across both consumption behavior and shopping behavior. In this paper, we focus on how the customer’s journey from the awareness stage down to the purchase and loyalty stages of the purchasing process has been impacted by the pandemic across different product categories and markets. The manner in which firms and consumers are interacting and the role of

touchpoints are being significantly altered. Viewing the decisions made along the customer journey from the perspective of utility theory, we show how the Covid-19 pandemic has impacted customers' buying behavior. We argue why some of these changes could be permanent and irrevocable, and what this implies for firms' strategies to acquire, retain and grow their business with their customers. We specifically focus on how omnichannel strategies are the path for firms to survive and succeed in the post-pandemic marketplace and provide future research directions in this domain.

In the next section, we focus on the impact of Covid-19 on consumer behavior and how customer journeys through the purchase decision process have been affected. We then outline managerial implications for firms and explore the various ways in which they are coping with the challenges of the rapidly changing environment. Next, we discuss how omnichannel strategies will emerge as the key differentiator between firms that will thrive and those that will fail. We conclude with areas for future research.

The customer journey

To understand the impact of Covid-19 on consumer buying, we first consider the decision-making process and the customer's journey more generally. The idea that consumers go through a decision-making process when making a purchase has long been established in marketing. This process is broadly understood to consist of five steps along a customer journey: need recognition or awareness, information search, evaluation of alternatives, purchase decision and post-purchase behavior (Court *et al.*, 2009). As an example, consider the process for making a home appliance purchase decision. A consumer's refrigerator breaks, so they need a new one. They search for information on refrigerators by speaking with friends and family, reading reviews, browsing websites and visiting physical retailers. They narrow their choice set down to a few options and evaluate the attributes of each. They make a purchase and realize a particular level of satisfaction. Lastly, they engage in post-purchase word-of-mouth and may develop some level of loyalty towards the brand or retailer.

The importance of understanding the process and not simply the outcome has also been established by marketing scholars and managers. Concepts such as search costs, consideration sets, and repeat buying have come about as a result of studying the overall buying process. More recently, better understanding of the customer experience and the idea that the customer embarks on a journey through the decision-making process for a purchase has become prominent (e.g. Lemon and Verhoef, 2016). Given rapid advances in technology, "customers now interact with firms through myriad touch points in multiple channels and media . . ." (Lemon and Verhoef, 2016). The authors also highlight the more social nature of customer experiences. Given the enhanced social nature of customer experiences when making a purchase, we can think of the role of travel companions or social others on the customer's journey (Hamilton *et al.*, 2021). In their analysis of social customer journeys, the authors examine social influences on the purchase decision maker in a time of rapid technological and social change. Examples of relevant technology include algorithm-powered interactive tools for personalized online experiences and digital platforms for consumers to share product experiences (Hamilton *et al.*, 2021). The authors discuss how decision makers are able to receive word-of-mouth communications without the obstacles of physical distance and at higher volumes and lower cost. As a result, social influences from others who would not typically have any role in the journey now become quite critical (Hamilton *et al.*, 2021).

With these dynamics at play, Lemon and Verhoef "conceptualize customer experience as a customer's 'journey' with a firm over time during the purchase cycle across multiple touch points" (2016). The key managerial takeaway from their analysis is that firms need to view the customer's experience as a journey, i.e. more holistically. As a result, firms need to be better integrated across business functions, channels, media and external partners. The

authors posit that multichannel marketing is the most developed aspect of customer journey analysis. We make the argument that omnichannel marketing is the key to success beyond the pandemic. In their cross-cultural analysis of customer journeys, [Nam and Kannan \(2020\)](#) focus on technology-driven touch points specifically. The authors find that individualistic cultures are likely to engage in multichannel and omnichannel behavior. This further highlights the importance of understanding customer needs across touchpoints and managing the overall customer journey when developing the foundation for omnichannel strategy. Our view of the customer journey, therefore, is one that takes place in an environment which consists of offline channels – brick and mortar retailers and intermediaries – and online channels – search platforms, e-commerce platforms, social media platforms – all immersed in ubiquitous connectivity ([Figure 1](#)).

With all of the available options of channels and media, customers' choices of touchpoints along their customer journeys are governed by the overall utility/disutility they derive from the touchpoints. Some of the dimensions which contribute to this choice include: search cost, perceived risk cost, product price, distribution or fulfillment cost, market access cost ([Strader and Shaw, 1997](#)), and finally inertia or habit, which determines the cost of switching channels from the current channel ([Figure 2](#)). Assume a multi-channel situation, where a customer is restricted to interact with a firm through only one of the multiple channels for all stages of the customer journey. If a product is to be purchased through one of the channels, then the combined disutility of price, search cost, risk cost, distribution cost and market access cost, offset by the utility involved with inertia or habit, will determine which channel will ultimately be used. For example, for purchasing a high-involvement product like a diamond ring, consider the perceived risk costs involved to be a function of the perceived risks on the

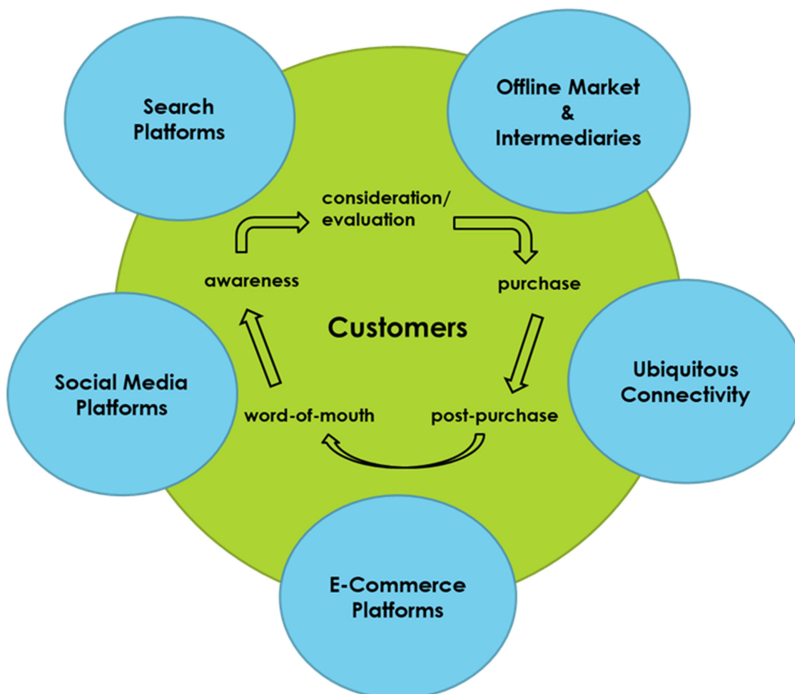


Figure 1.
The customer journey
and the environment

	OFFLINE	ONLINE	MOBILE
Search Cost Time, Effort, Convenience, Experience			✓
Risk Cost Economic, Performance, Quality, Privacy, PERSONAL	✓		
Product Price		✓	
Distribution Cost	✓		
Market Access Cost			✓
Inertia/Habit		✓	

Figure 2.
Components of utility
that determine
channel choice

dimensions of quality, performance and economic risk, which may lead some customers to buy it offline. However, younger customers, who are more experienced with the online channel, may buy this product online if the price differential between online and offline channels offsets these perceived risk costs. For omnichannel purchases (see Figure 2), customers may choose to search for products on mobile channels (given their lower search costs and easy accessibility), but the higher perceived risk costs may push them to evaluate the products in person offline and purchase the product offline (e.g. diamond rings). Even if product price is lower online, the market access cost is lowest for mobile, and the consumers are used to making many transactions online (high inertia for online). Likewise, de Hann *et al.* (2018) show that customers generally tended to begin their customer journeys in mobile environments (smartphones) and tended to switch to online environments (desktops) to consummate purchases, given the perceived risk of providing payment details on smartphones or due to the inconvenience of filling out forms on mobile devices.

Many of the touchpoints that are in the environment in Figure 1 were experiencing growth even prior to Covid-19. Online search platforms and social media platforms play important roles in generating awareness and when evaluating options. Modern technology allows for ubiquitous connectivity without the limitations of physical distance. For example, consumers can crowdsource opinions from online social networks on a purchase decision, allowing social travel companions, who would not typically have any role in the purchase decision process, to participate in a customer journey, regardless of their geographic location (Hamilton *et al.*, 2021). Sophisticated e-commerce platforms allow actual purchase transactions to be completed and post-purchase relationships to be managed. Word-of-mouth communication can be disseminated more widely and more quickly using social media platforms. Those resisting adoption of the online touchpoints had higher costs of accessing online markets, either because of their lack of experience with the online environment and/or due to inertia or simply due to the habit of interacting offline (Shah *et al.*, 2014), which increases the cost of switching channels.

The impact on customer journeys

The pandemic has impacted the overall environment of the journey in many ways and has brought about even more rapid adoption of the online and mobile environments (Arora *et al.*,

2020). The utility framework in [Figure 2](#) enables an understanding of the impact of the Covid-19 pandemic on customer journeys through its impact on the various dimensions. Prior to Covid-19, offline markets and intermediaries were key to the consideration/evaluation and purchase stages for certain products. However, with the onset of the pandemic, offline options became reduced or eliminated, forcing consumers to travel through these stages of their journeys fully online. As a result, the relative importance of the other touchpoints in other channels in the marketplace became even more critical.

With the inability to access traditional offline channels, consumers have been forced to make decisions regarding channel choices differently during the pandemic. The trade-offs consumers face when choosing between channels have also changed. If a consumer finds a lower price online, they may be more inclined to make their purchase online. Similarly, many information search costs are lower online with regard to time, effort, and convenience. However, for some product categories, an in-person option where the consumer is able to touch, feel, try on or experience the product is critical to a satisfying purchase ([Kannan, 2020](#)). Examples of such products include clothing, jewelry, electronics and furniture. In these scenarios, an offline channel may be preferred. However, the pandemic has dramatically increased the risk cost associated with shopping in physical stores, or in some cases, eliminated the option completely. More specifically, personal risk to one's health and well-being is much higher during the pandemic, making the offline channel less desirable and resulting in many consumers choosing to go online. Relatedly, distribution costs such as shipping, or delivery charges, typically play a role in consumer choice of a channel. However, during the pandemic, consumers may not weigh distribution costs very heavily when choosing a channel and having products shipped or delivered to their homes is preferred, despite the possibility of additional monetary or time cost. Lastly, we consider market access costs. During the pandemic, certain offline options are simply not available due to restrictions or closures. In the case of loss of access, consumers are forced to move online. This is true even for consumers who may not have much prior experience with online buying and who therefore may incur a significant learning cost to change their behavior while overcoming their inertia and habitual behavior of shopping offline.

With the recent disruptions to channel choice trade-offs due to the pandemic, interesting trends in channel migration have emerged. Internet users across every generation from Baby Boomers to Generation Z have increased their digital spending since the onset of Covid-19 ([Phaneuf, 2020](#)). Similarly, shopping digitally for grocery and non-grocery items have increased, while consumers shopping in physical stores and malls have decreased ([Charm et al., 2020](#)). These highlight the trade-offs in the overall utility of shopping in different channels, with perceived personal risk costs and lack of online options being dominant forces in driving customers to adopt online channels in large numbers.

Such channel migration is leading to a number of interesting phenomena. First, customers that are migrating to online channels may not be able easily access all their favorite products and brands online. Customers are, therefore, more open to trying new brands and products with a sudden lifestyle change. This "forced trial" of new brands/products may lead to consumers learning about these new brands and altering their preferences, if they like the new brands better than the ones they purchased earlier in the offline setting. Second, the pandemic restrictions are also altering customers' preferences for the online channels. It is important to note that the pandemic restrictions have been in place for a long duration, almost a year, during which time some customers have been using online channels as substitutes for their offline purchases. During this time, they learn how to effectively use the channels and learn of their advantages vis-à-vis offline channels, all of which decrease their market access costs for online and mobile channels. In addition, customers also form new habits of shopping online and build inertia for transacting online ([Figure 2](#)).

All these changes in the underlying utilities for shopping online become more permanent and thus, when things return to normal after the pandemic, we can expect and are seeing many customers stick to online channels rather than returning to offline channels. A pandemic-time survey of customers (Arora *et al.*, 2020) bears this out as more customers indicate that they will stick with their new shopping channels and brands. This has been borne out by the recent trends in eating at home, which has seen a dramatic rise even with the pandemic receding (Chaudhuri, 2020). Had the pandemic lasted only a few months, then such changes would have been less likely, as the shorter duration would not have allowed customers to learn new skills and build habits of purchasing through online. Third, the online and mobile environments have started providing many alternate avenues for customers to fulfill their orders through omnichannel options such that much of the disutility in shopping online have decreased. Given all of these changes, we are seeing the changes in customer journeys being permanent for a large number of customers – as the pandemic recedes, the sales for hand sanitizers, home gym equipment, meal delivery firm and streaming services remain steady or have dropped slightly to a level much higher than in pre-pandemic times (Lahart, 2021; Forman, 2021).

With a disruption as impactful as Covid-19, the market has experienced many changes in consumer behavior. During the Covid-19 pandemic, consumer spending was down overall, with many only buying essential products. Discretionary product sales even in high-income segments was lagging during the pandemic. However, as the situation improves, online spending on non-essentials is rising (Torry, 2020). We are seeing the pent-up demand for non-essentials being satisfied. For example, sales in home improvement stores are rising even beyond the pre-pandemic levels (Lee, 2021). While consumption patterns indicate a trend towards pre-pandemic levels, shopping patterns may be impacted for a longer period. 75% of consumers have tried a new shopping behavior during the pandemic, and many intend to continue it beyond the pandemic (Charm *et al.*, 2020). Thus, firms must think long-term about the low-touch digital shopping experience they are offering to consumers and how they could impact purchase behaviors.

With such drastic and rapid changes occurring in the marketplaces, firms must adapt quickly to remain afloat. A key element of any firm's strategy in the post-pandemic market must focus on the customer's journey using digital elements of interactive marketing across multiple channels – or omnichannel (Verhoef *et al.*, 2015). A consumer's interaction with a firm on a mobile application, Website browser and in a physical store needs to be synchronized to deliver an optimal experience for the customer. Data on contact and payment information needs to be saved and accessible across the various channels. Software applications and data warehousing for real-time availability of inventory and location-based services for curbside pick-up are critical. We discuss implications and strategies for firms in detail in the next sections.

Implications for firms

The resulting shifts in consumer behavior during the pandemic suggest many important implications for firm. We first consider the profitability of a firm. We use a general customer lifetime value (CLV) formula where we specify the profitability of a firm to be the sum of lifetime values of all customers for a retailer or brand:

$$\sum_i \cdot CLV_i = m_i * v_i * f(r_i) * - A_i$$

where m is margin per visit/purchase and v is frequency of purchase. $f(r)$ is a multiple that is a function of the customer retention such that $f(r) > 1$. Highly loyal customers will have higher values of this multiple, while customers with lower levels of loyalty will have values closer to

one. A is acquisition costs. Thus, profitability for a firm is essentially $\text{margin} \times \text{multiple}$, less acquisition costs.

Now we consider the impact of the pandemic. Changes in margin (m) are unclear. Margin may increase, decrease, or stay the same. For a given firm, the repurchase rate or frequency of visits, v , has been reduced due to consumers reducing the number of their visits. Customers are also willing to try new brands and behaviors during the pandemic, so loyalty and retention are negatively impacted with these changes in habits and preferences, especially for brands/products purchased offline. Thus, with a negative impact on frequency and the retention multiple, the overall sum of CLVs is lower indicating lower profitability for the firm. Many firms have been investing heavily to retain their customers by generating loyalty and are at risk for losing this loyalty premium reflected by $f(v)$ in our CLV formula. The market is essentially in a state of fluctuation, and the pre-pandemic equilibrium has been destroyed and pandemic bringing in new equilibrium. For firms that were primarily offline prior to Covid-19, such as physical stores and restaurants, the loss of the loyalty premium is detrimental to their CLV and profitability. Given that many of the changes in behavior that the market is exhibiting during the pandemic are continuing even after the pandemic subsides, it is unclear whether these firms will be able to regain their customers and become profitable at any point in the future.

We also consider the acquisition of new customers in our analysis of firm profitability. With major changes in customer behavior and the resulting substitution patterns, we expect some firms to succeed and others to fail. With customers shifting to the online channel, many online firms have been very profitable during the pandemic. During the pandemic these online firms continued to have the option of providing products to consumers that many offline firms did not. We can also include direct-to-consumer (DTC) firms in this group. Firms such as Blue Apron, Wayfair, Peloton and Noom that market directly to consumers using interactive digital platforms have done very well during the pandemic, realizing large gains in profitability (Hensel, 2021). More importantly, they are able to hold on to these gains as the pandemic recedes (Chaudhuri, 2020). These firms offer products that can be delivered and consumed at home, which was critical during the pandemic. These firms have been able to develop strong bonds and high levels of loyalty among their customers, and this continuing beyond the pandemic as customer habits and inertia have set in (Lahart, 2021).

Many firms that have built their omnichannel capabilities (e.g. Walmart, Target in the US) have been swift to adapt to the changing market demands while providing integrated experiences across their channel touchpoints (Nassauer and Maloney, 2020). Customers were able to shop online or through mobile applications and have products delivered or available via curbside pick-up. Their physical stores also remain an option in some areas and for some consumers. While many of these shopping options were available even prior to the pandemic, these omnichannel firms had the capacity and infrastructure to adapt to the large increases in demand very quickly. This continues post-pandemic. The main challenge lies for firms that lost customers during the pandemic. It remains unclear whether these firms will be able to regain lost customers, how quickly they may be able to do so, and what exactly needs to be done to be successful. Unless, they are able to change their strategies to be present in online and mobile channels quickly, recovery could be slow for these firms.

A related issue to examine is marketing spend during the pandemic, and how different media were impacted given the changes in customer journey environment. According to Duke University's CMO Survey (Moorman, 2020), B2C firms' sales and profits were significantly lower, which is not surprising, given the trends in consumer spending that we discuss earlier. More than 30% of respondents to the survey indicated cuts in marketing spend. B2B firms were not hit as hard and performed relatively better than B2C firms. In general, firms are redeploying their budgets across marketing instruments as expected. However, it is important to note that pockets of opportunity do exist where advertising

elasticities are high. For example, the DTC firms that we mentioned earlier enjoyed a 14% increase in advertising impressions while reducing advertising spend by 3% in the first half of 2020 (Lukovitz, 2020). Thus, even after spending less, these firms were able to generate a higher number of impressions. This suggests that the advertising elasticity for television has increased. This is not surprising, given that most consumers are captive audiences at home during the pandemic and are therefore likely watching more television. If firms are able to determine how advertising elasticities have been impacted by the pandemic, they may be able to enjoy higher returns and better results on their marketing spend by focusing on the marketing instruments that have increased elasticities. Firms can also benefit by focusing on new customers who are willing to change their habits and try new products. With disruptions to their usual behaviors, customers may exhibit substitution patterns when presented with new options appropriately. High elasticities are likely to be present in these situations as well. When considering marketing spend, it is important to distinguish between brand marketing and performance marketing.

Let us consider the purchase funnel in Figure 3. Brand advertising is typically used to generate awareness, while performance advertising is typically used to generate conversion. Conversion may no longer be appropriate for some firms, as many types of purchasing have been put on hold during the pandemic. As an example, consider the marketing spend for a hotel brand. Consumers are not traveling during the pandemic, therefore conversion becomes less relevant. These firms need to move their marketing spend from performance marketing to brand marketing. As the Covid-19 crisis subsides, the pent-up demand will return, and firms need to remain in consumers' consideration sets for post-pandemic consumption. The same dynamic holds true for non-essential purchases that were delayed during the pandemic, such as automobiles. As consumers return to some of their usual consumption patterns, it is important for firms to continue spending on brand advertising to ensure that their customers remain aware of their offerings. While it may be acceptable for some firms to reduce spending on performance advertising, brand advertising remains critical to post-pandemic marketing. During a crisis, brand strategy needs to be centered around understanding consumer sentiment and generating loyalty and trust. Agility and creativity are key. When continuing to spend on brand building, building customer loyalty becomes particularly critical.

In a time of great uncertainty and anxiety, becoming more customer-centric in marketing messaging is also very important. According to a recent survey by Merkle (2020), trying new marketing technologies or features is key to generating loyalty, particularly as offline options

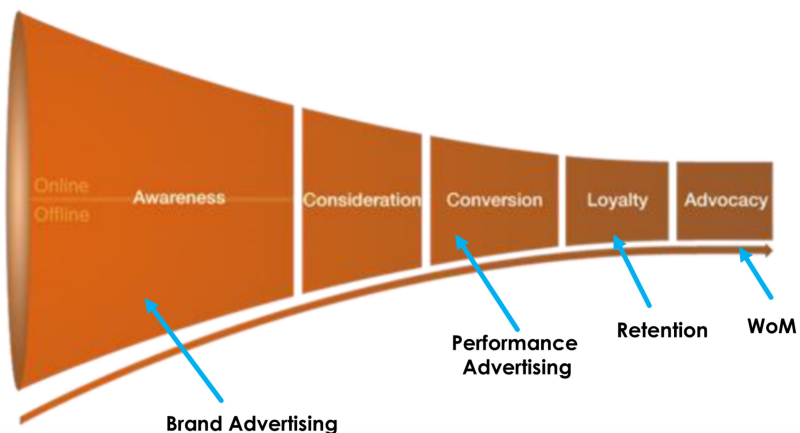


Figure 3.
Marketing spend along
the purchase funnel

to connect with customers are diminished. It is also critical to develop new transaction fulfillment capabilities to ensure that customers are not cut off from the brand. In sum, the key to post-pandemic success for a firm is to remain connected to its customers via interactive marketing through online or social channels, particularly as options to connect in person are reduced. An omnichannel approach is one way to achieve this. We discuss omnichannel strategies and their implications for long-term success in the next section.

Implications for omnichannel strategies

As is evident, firms that had already taken an omnichannel approach to managing the customer journey were able to remain successful throughout the pandemic, despite the dramatic swings in demand and rapidly shifting preferences in the market. This is easy to understand when we analyze their strategies in light of Figure 2. These firms were very successful in providing the precise options, which taken together, reduced customer costs to the minimum – enable search, evaluation and ordering online, which reduced their search, risk and transaction costs; enable delivery and curbside pickup options, further reducing customers' distribution costs and risk costs; and make it easy to access the market through online and mobile app options. Many of these retailers had already invested heavily in technology and operations infrastructure to remain competitive with Amazon and were able to respond to the Covid-19 pandemic quickly and easily (Nassauer and Maloney, 2020). Although competitive dynamics were the motivating factor in their interactive marketing changes, these changes allowed them to be successful during the pandemic as well. Thus, effective design of the customer journey is critical to success in today's market. Firms need to be able to connect with their customers via these multiple touchpoints and provide an integrated shopping experience. As customers travel through their journeys, they need to be able to easily connect with the firms they are interacting with. Investing in technology that enhances their online presence and provides virtual reality solutions is critical for firms to succeed in the post-pandemic market. The market is heading in this direction as the difference between online and offline blurs (Reinartz *et al.*, 2019).

There is a clear need, however, that omnichannel initiatives are designed and implemented appropriately (Briedis *et al.*, 2021). Firms might fail to realize the gains from omnichannel initiatives, either because they have not prioritized what parts of the channels they should focus on or due to focusing too much on technology and not on providing customer value or due to misalignment between the strategy and implementation (Briedis *et al.*, 2021). There needs to be a clear focus on data analytics – both for personalization of the offerings to the customers as well as personalization of the customer touchpoints. This requires infrastructural elements of stores, warehouses, supply-chains, as well as seamless transitions across channels using mobile technology and finally, a focus on processes.

With the use of modern technology, comes more data, which firms can use to further improve their performance. As such, analytics will be another critical component of post-pandemic success. We predict that, in the next five years, advertising will trend towards becoming exclusively digital and driven by machine learning and artificial intelligence. This will allow for very rapid testing and learning. Data will exist in many forms – text, audio, video and image, and firms will need to analyze these data types using modern technology. Another interesting result worth highlighting is that consumer shopping and consumption preferences have changed so drastically during the pandemic that the historical data that a firm has on its customers is no longer as valuable. Sales forecasting based on past trends will no longer provide accurate predictions. Therefore, firms need to learn from recent data and need to do this quickly. The cycle of learning has been shortened with respect to time, and firms need to use machine learning and artificial intelligence to analyze available data to

understand consumer preferences. Using this data to design creative and personalized content will also be crucial to connect with customers.

Lastly, while emphasizing the critical roles of technology in future success, it is important to remember the human element in an omnichannel experience. In the face of the pandemic and related widespread devastation, consumers are conscious of and acknowledging firms that are attempting to “do good” (Moorman, 2020). Thus, firms need to be mindful of the idea that doing good is valued by customers and therefore need to, in fact, do good. Related to this overarching theme, there are three key areas that will become increasingly important in the post-pandemic market. The first is employee welfare. While most professionals were able to work safely from their homes during the pandemic without much risk to their personal health and safety, workers in many roles had to continue reporting in person. For the omnichannel firms that were able to enjoy great success during the pandemic, the welfare of their employees who were in positions that required them to report to work in a warehouse or retail setting was at great risk. This scenario further divides the professionals and the non-professionals in the American work force (Mims, 2020). Customers have concerns about how firms are handling this issue and what steps firms are taking to ensure a safe working environment for all, which impacts the consumer’s choice of a firm to do business with. Consumers will want to connect with and purchase from firms that are prioritizing the safety and welfare of their employees. Second, efforts towards local community building will become important to consumers when choosing a firm. With pandemic-related restrictions, consumers were forced to stay within their local communities for long periods of time. Firms that engaged in activities that helped the local communities (e.g. grocery giveaways) are more likely to generate favorable connections through loyalty, trust, and good will with their local customers. As the pandemic subsides, customers will recall these efforts and will continue to patronize the firms that performed these good deeds. Lastly, social value creation will be critical for firms in the post-pandemic world. As we discussed earlier, the customer journey is becoming increasingly social (e.g. Hamilton *et al.*, 2021); therefore, a firm’s ability to create social value for the customer will play a key role in its long-term success. All three of these factors will become increasingly salient and important to customers when choosing a firm, and firms will need to be sincere in their related efforts in order to develop connections and build trust with their customers. While technology is a critical aspect of future brand building strategies, the human element in areas such as employee welfare, community building, and social value creation must also be present in a firm’s activities.

Issues for future research

In conclusion, the pandemic has brought about dramatic changes in how consumers shop and consume. While many of the consumption changes may be temporary and will likely return to pre-pandemic levels, many of the shopping behavior changes are likely to continue into the post-pandemic market of the near (as we observe) and distant future. We have explained how the customer journey was impacted during the pandemic using the basics of utility theory and have argued why the impact is likely to be permanent. We also see some limited data on that. However, this is a hypothesis at best. This needs to be confirmed empirically. Using time-series data on customer purchase behavior online, as well as offline, during pre-Covid-19, during Covid-19, and during post-Covid-19 periods, one can test the hypothesis.

It is also important to uncover the mechanism through which the permanent migration to the online channel occurs. For example, one could argue that given the length of the pandemic and related closures, many consumers have been exposed to the online environment much more than they had in the pre-Covid-19 period. One could hypothesize that this long stint could lead to more familiarity with the environment. The nature of experience at customer touchpoints could lead to a “plastic” change in consumer behavior and preferences rather

than an “elastic” change where behavior and preferences revert to pre-pandemic levels (cf. Verhoef *et al.*, 2021). In the context of social media, it could be argued that such familiarity with others (e.g. influencers) on the platform could engender more trust, and therefore, customers are more likely to use those touchpoints for evaluation of products and services. Similarly, those customers using e-commerce platforms and their mobile apps could come to trust the retailers more – all leading to an increased percentage of their purchases being made online, as compared to pre-Covid-19 times. In fact, prior research (De Haan *et al.*, 2018) has shown that those customers with more experience using mobile devices and more experience with a retailer, have more trust in their transactions in the mobile environment, and thus choose to complete all of their transactions and purchases in the mobile environment, rather than switching to a desktop environment to complete the purchase. Based on a similar analogy, we could expect more channel migration to the online channel. Such propositions can be tested using surveys, experiments and empirical data.

With technologies incorporating augmented reality and virtual reality being able to provide experiences in the online and mobile environments, we can also hypothesize that omnichannel experiences would lead to increased loyalty with retailers. Such immersive technologies could lead to a higher level of stickiness than what is experienced in the online/mobile environments. This is another area of future research which requires much attention (Kannan and Li, 2017; Wedel *et al.*, 2020). Omnichannel strategies would require analyzing large volumes of data, and the related issues of personalization (Ma and Sun, 2020) and privacy (Bleier *et al.*, 2020) are also important areas for future research. With the impact of the pandemic, would consumers be more willing to share their data for personalization purposes overcoming their privacy concerns?

As is evident, a disruptive event such as the Covid-19 pandemic has resulted in many interesting market dynamics, with important implications for practitioners as well as academics in the area of omnichannel marketing. Hopefully, some of the thoughts in this article will spur more managerial actions as well as research projects.

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