University of South Dakota

USD RED

Spring 5-7-2022

BUY-ONLINE-PICKUP-IN-STORE (BOPIS) BUSINESS STRATEGY: A MULTIVARITE STUDY OF BOPIS INFLUENCING FACTORS ON CUSTOMER SATISFACTION

Addison G. Smith
University of South Dakota

Follow this and additional works at: https://red.library.usd.edu/honors-thesis

Part of the Marketing Commons

BUY-ONLINE-PICKUP-IN-STORE (BOPIS) BUSINESS STRATEGY: A
MULTIVARITE STUDY OF BOPIS INFLUENCING FACTORS ON CUSTOMER
SATISFACTION

by

Addison Smith

A Thesis Submitted in Partial Fulfillment

Of the Requirements for the

University Honors Program

_____

Department of Marketing

The University of South Dakota

May 2022

The members of the Honors Thesis Committee appointed

to examine the thesis of Addison Smith

find it satisfactory and recommend that it be accepted.

_____

Elizabeth Manser Payne, D.B.A.

Assistant Professor of Marketing

Director of the Committee

_____

Rand Wergin, Ph.D.

Associate Professor of Marketing

_____

Emily Quinn, M.B.A.

Instructor of Marketing

TABLE OF CONTENTS

ABSTRACT

Buy-Online-Pickup-In-Store (BOPIS) Business Strategy: A multivariate study of BOPIS
influencing factors on customer satisfaction

Addison Smith

Director: Elizabeth Manser Payne, D.B.A.

Abstract

Purpose- The purpose of this study was to identify the attitudes consumers have towards
buy-online-pickup-in-store (BOPIS) and its influence on customer satisfaction.

Design- Data were collected from 567 respondents and resulted in 476 usable responses.
This paper uses multivariate regression and two separate multiple regression analyses to
examine the differential effects of multiple constructs (i.e. perceived usefulness online,
perceived ease of use online, trust online, hedonic values online, perceived usefulness
pickup, perceived ease of use pickup, trust pickup and hedonic values pickup) on
customer satisfaction within online ordering and physical pickup portions of BOPIS
process.

Findings- The result of this study indicates that first, hedonic value plays the greatest
role in customer satisfaction throughout both the online ordering and physical pickup
portions of the BOPIS model. Second, this study also shows that consumers view the
online and pickup portions separately with different values in each, although there is an
overarching halo effect.

Research limitations/implications- Study findings may help researchers understand the
roles of hedonic and utilitarian values and their impacts on customer satisfaction in the
context of BOPIS.

Practical implications- As BOPIS continues to grow, understanding the complexity of
consumer value within the model will be of importance to improve the omni-channel
retail experience.

Originality/value- This study addresses the gap between BOPIS and consumers attitude
towards it.

KEYWORDS: Utilitarian Value, Perceived Ease of Use, Perceived Usefulness, Trust,
Hedonic Value, Customer Satisfaction

Introduction

Buy online pickup in-store (BOPIS) business model is a disruptive omnichannel technology that has the ability to transform the shopping industry by offering a quick and convenient shopping process for consumers (Gannon, n.d.; Owens, 2022). BOPIS is a tool for consumers to purchase items online through an e-commerce website then pick the items up in person at the brick-and-mortar store. Increasingly, consumers have more time-sensitive demands forcing suppliers to keep up. Unlike traditional shopping methods, BOPIS consumers don't have to deal with shipping costs, long delivery timelines, and shipping back items that don't fit or meet their expectations (Damen, 2022).

The Covid-19 pandemic is of importance to BOPIS implementation in retailers and growth of popularity among consumers. Whilst the use of online shopping had been growing for years, the pandemic was the tipping point that forced retailers into the digital space if they wanted to survive. According to Ketzenberg & Akturk (2021) between May 2020- May 2021, 40% of Americans tried a new shopping method, and nearly three-quarters of the people who have tired BOPIS, curbside pickup or delivery want to continue to use the services post-pandemic. "Customers are accustomed to online and omnichannel shopping experiences, and they are not going to go back" (Ketzenberg & Akturk, 2021, page 5).

Central to BOPIS service usage are the online platforms and brick-and-mortar stores that are used for the product exchange. Integrating BOPIS into brick-and-mortar stores within the retail industry provides an effective shopping platform that can bridge

the gap between the convenience of ecommerce and the profitability of in-store shopping (Gannon, n.d.; Ketzenberg & Akturk, 2021). Unlike other digital channels, BOPIS both offers the advantages of digital shopping and encourages customers to continue to engage with brick-and-mortar stores. Despite the heightened interest to incorporate BOPIS into retail stores, research exploring the customer attitudes when using the BOPIS business model is sparse (Damen, 2022; Ketzenberg & Akturk, 2021; K. Kim et al., 2020; Shaw, 2020) and merits further attention. "The research on omni-channels, the behavior of consumers who opt for the BOPIS service is understudied" (K. Kim et al., 2020). In addition, there is inadequate research regarding customer satisfaction when consumers use BOPIS services.

In our research, we drew heavily on customer usage of online and in-store shopping individually, as BOPIS is a combination of both online and in-store shopping. In our framework, we decouple consumer satisfaction by separately measuring the online portion from the physical portion of BOPIS process in a multivariate regression. Decoupling online ordering and physical pickup allows us to see how different contexts of shopping may result in different customer satisfaction influences. Retail literature suggests that online ordering in BOPIS tends to be motivated by hedonic value and perceived ease of use (Childers et al., 2001; Ramayah & Ignatius, 2005), where customers are online shopping and purchasing items online. BOPIS pickup tends to be motivated by convenience (K. Kim et al., 2020; Marhamat, 2021), where consumers drive to the brick-and-mortar store to get their purchased items.

Therefore, the purpose of this study is to explore the omni-channel BOPIS model. In this paper we address two research questions of omni-channel BOPIS:

a.) What are consumers' attitudes towards BOPIS?

b.) What value does the current BOPIS model bring customers?

To address the questions above we developed our model to explore the influencing factors of hedonic value, trust, perceived ease of use, perceived usefulness, intention to use may have on BOPIS customer satisfaction.

We support our conceptual framework with the Technology Acceptance Model (TAM). TAM (Davis, 1989) has been widely accepted by researchers to better understand user acceptance of information technologies. Davis (1989) suggests that an individual's behavior intention to adopt a technology is determined by the person's attitude toward the use of the technology. Attitude is defined by perceived usefulness and perceived ease of use. Furthermore, the retail industry is placing considerable importance on digital shopping technology, as consumers move from shopping in brick-and-mortar retail locations to online options to complete their shopping needs.

Our study responds to calls to advance our understanding of BOPIS and investigate customer attitudes toward those interactions. We extend the literature by empirically testing a conceptual framework to examine how consumer attitudes influence customer satisfaction when engaged in BOPIS usage. Most related studies on BOPIS tend to be company-focused (Damen, 2022; Ketzenburg and Akturk. 2021; Shaw 2020) thus limiting our ability to understand BOPIS consumer usage intentions more precisely in the retail industry. Accordingly, our framework provides insight for understanding consumer perceptions and attitudes.

Theoretical Framework and Hypotheses

Theories

Technology Acceptance Model

Technology Acceptance Model (TAM) (Davis, 1989) is a widely used theory that seeks to explain how users come to accept and use a technology. "TAM models system usage intentions and behavior as a function of perceived usefulness and perceived ease of use" (Davis & Venkatesh, 1996). The model uses perceived ease of use and perceived usefulness as cognitive responses to predict the intention to use new technology. The TAM model provides researchers with a comprehensive model to examine multiple facets of human-computer interactions (Fernandes and Oliveira, 2021) and value co-creation in service encounters (Čaić et al., 2019).

Customer Satisfaction

Customer satisfaction is the ultimate result of meeting a consumer's expectation from the performance of products (Alam & Yasin, 2010). Customer satisfaction is the consequence of customer experiences during the buying process, and it plays a crucial role in affecting customers' future behavior, such as online repurchase and loyalty (Pereira et al., 2016). The presumption is that satisfied customers would likely 'help' to market a company's products and/or services through word-of-mouth (Anand et al., 2019). According to Rita et al. (2019), The biggest challenge for online shopping is to provide and maintain customer satisfaction.

Pappas et al. (2014) studies effects of online shopping experience on customer satisfaction and repurchase intentions. Pappas conducts a survey gathering information about the participants' experience online shopping. Pappas' study explores the effect of online shopping experiences on effort expectancy, performance expectancy, self-efficacy, and trust in relation to satisfaction, as well as on the relationship of satisfaction with intention to repurchase. The research concludes that the relationship between satisfaction and repurchase intention is greater when the participant had lower online shopping experience rather than more shopping experience. Findings suggest that low experienced customers base their repurchase behavior on increasing satisfaction more than high experienced customers.

In a similar study, Lee & Kim (2018) studied the effect of hedonic and utilitarian values on satisfaction and loyalty of Airbnb users. Researchers created a questionnaire and gathered responses via Amazon Mechanical Turk. They focused on US customers who had used Airbnb within the previous year. The study examined the association among hedonic, utilitarian value, customer satisfaction and customer loyalty in the context of Airbnb. The research shows that hedonic and utilitarian value significantly influenced customer satisfaction of high and low involvement customers. Hedonic value had an indirect impact on customer loyalty through customer satisfaction. Airbnb's hedonic value is more likely to be satisfied with in the high involvement group rather than in the low involvement group.

Model Development

The growing use of BOPIS in stores has generated a need to understand how customers may perceive BOPIS in the retail industry. We propose an exploratory model (Figure 1) to investigate how the customer satisfaction BOPIS is influenced by consumer attitudes.

Figure 1. Antecedents and perceptions of customer satisfaction in the online and pickup portions of BOPIS

Notes: HO = Hedonic Online; PUO = Perceived Usefulness Online; EUO = Ease of Use Online; TRO = Trust Online
HP = Hedonic Pickup; PUP = Perceived Usefulness Pickup; EUP = Ease of Use Pickup; TRP = Trust Pickup
CSO = Customer Satisfaction Online; CSP = Customer Satisfaction Pickup
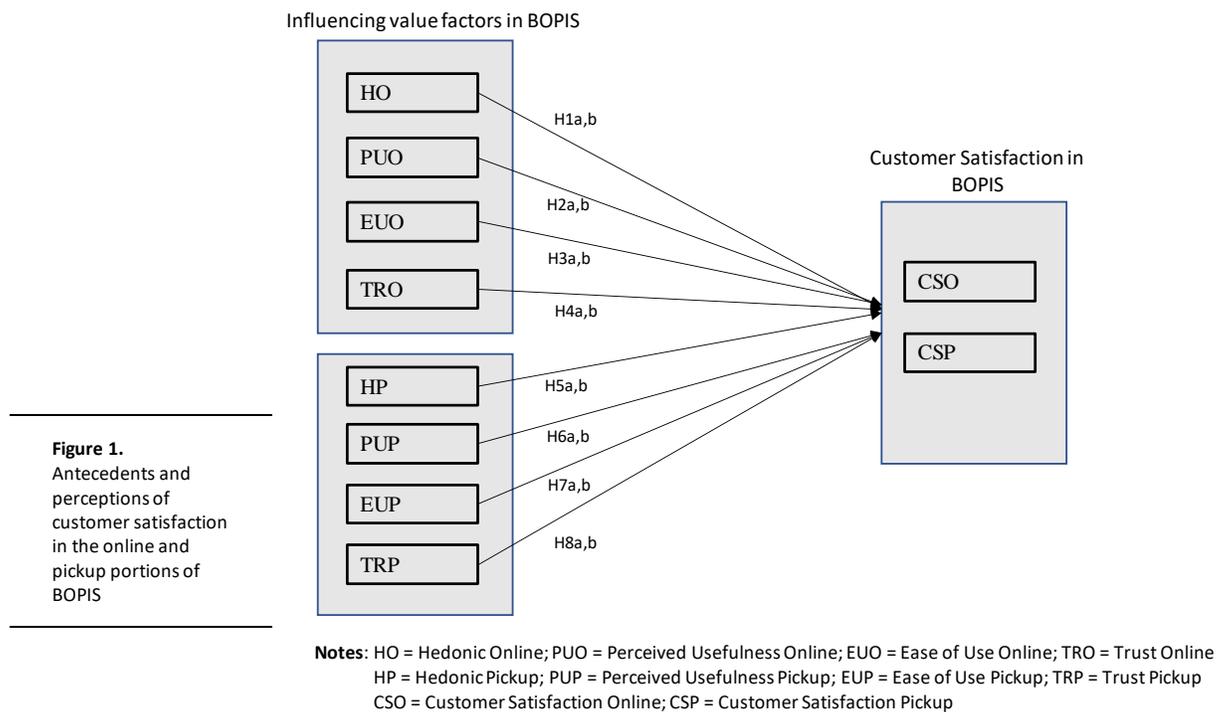
Attitudes towards BOPIS

Hedonic and Utilitarian Value

Perceived value is "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given" (Zeithaml, 1988). Carlson et al. (2015, p. 91) stated that "value is directly related to the benefits one receives from a product or service and encompasses two domains – outcomes and processes". One can

simply consider value as "what I get for what I give" (Zeithaml, 1988, p. 13). Value in shopping can refer to the pleasure generated when the shopper negotiates with the sales people during a bargaining process (To et al., 2007; Westbrook and Black, 1985). A shopping experience could evoke value either through successfully accomplishing its intended goal or by providing enjoyment and/or fun (Babin et al., 1994).

Hedonic and utilitarian value is often looked at to observe why people shop. The terms ''hedonic'' and ''utilitarian'' are applied not only to motivations, but to systems and aspects of experience (O'Brien, 2010). Many consumption activities produce both hedonic and utilitarian outcomes (Babin et al., 1994). Generally speaking, people shop not only for the utilitarian value of the products, but also for pleasure, feeling, aesthetics, emotion, and enjoyment (To et al., 2007)."For this reason, there is an increasing need to assess consumers' perceptions of both utilitarian and hedonic shopping values. Some consumers see shopping as work and do not consider the entertaining aspect of shopping. Other consumers, however, view shopping as fun. These consumers shop because they enjoy the activity. Such perspectives reflect utilitarianism and hedonism" (Ozen & Kodaz, 2018). Carlson et al. (2015) noted that perceived value of online channel has a significant effect on user satisfaction

Hedonic

Hedonic value is defined as that value a customer receives based on the subject experience of fun and playfulness (Babin et al., 1994). It has been described as "happiness, fantasy, awakening, sensuality, and enjoyment" (Ozen & Kodaz, 2018). Hedonic value can be found among many things, one of such being shopping. In contrast

to the utilitarian perspective, hedonic shopping is viewed as a positive experience where consumers may enjoy an emotionally satisfying experience related to the shopping activity regardless of whether or not a purchase was made (H. Kim, 2006). Hedonic value in shopping can be important to help to generate long-lasting relationships with customers (Carpenter & Moore, 2009). The enjoyment found in the shopping can help build loyal customers that return because of the happiness the shopping brings them. In this sense, hedonically rewarding shopping experiences are not akin to a negative sense of "work." (Babin et al., 1994). Some predict that motivation arising from enjoyment and other hedonic considerations would also contribute towards overall satisfaction of online shoppers (Anand et al., 2019).

In a quantitative study, (O'Brien, 2010) used a questionnaire with items regarding shopping motivations and user engagement. The study was built to examine the influence of hedonic and utilitarian values on user engagement in online shopping. O'Brien found that hedonic values of adventure and gratitude predicted focused attention. The research concludes that hedonic factors, such as aesthetics and novelty, focus the user's attention and make them feel more involved and satisfied in the shopping process.

Similarly, Evelina et al. (2020) used a questionnaire in Indonesia to research the influence of utilitarian value, hedonic value, social value, and perceived risk on customer satisfaction. In the questionnaire, researchers found that hedonic value significantly and positively influences customer satisfaction. Evelina et al. (2020) says if the customer in purchasing e-commerce products provides a pleasant experience, it will increase customer satisfaction. The higher the hedonic value, the higher the customer satisfaction.

A positive hedonic value can produce satisfaction meaning a positive perception of hedonic value is important for increasing e-commerce customer satisfaction.

H1a, b. Hedonic Value in BOPIS online contexts has a positive relationship with online (a) and pickup (b) customer satisfaction.

H5a, b. Hedonic Value in BOPIS pickup contexts has a positive relationship with online (a) and pickup (b) customer satisfaction.

Utilitarian Value

The utilitarian aspect of consumer behavior is directed toward satisfying a functional or economic need (Babin et al., 1994). It is described as critical, rational, decision effective, and goal oriented (Barta & Ahtola, 2014; Hirschman & Holbrook, 2015; Ozen & Kodaz, 2018). The utilitarian perspective assumes the buyer as a logical problem solver (Ozen & Kodaz, 2018; Sarkar, 2011). Perceived utilitarian shopping value might depend on whether the particular consumption need stimulating the shopping trip was accomplished. Often, this means a product is purchased in a deliberant and efficient manner (Babin et al., 1994). Utilitarian value shows that shopping starts from a mission or task, and the acquired benefit depends on whether the mission is completed or not or whether the mission is completed efficiently during the process (Ozen & Kodaz, 2018; To et al., 2007). To measure the utilitarian value that the BOPIS model brings to consumers, we broke utilitarian value up into specific constructs- trust, perceived ease of use, and perceived usefulness.

Perceived usefulness

Perceived usefulness is considered as the user belief about the technology that it can enhance the efficiency (Eneizan et al., 2020). Perceived usefulness of a system in the consumers eyes in important in determining whether the system will be chosen. People tend to use or not use an application to the extent they believe it will help them perform their job better (Davis, 1989). According to Davis et al (1992), perceived usefulness refers to consumers' perceptions regarding the outcome of the experience.

Keni (2020) studied the effect of perceived usefulness and perceived ease of use on consumers' intention to repurchase, both in a direct and indirect manner through both trust and customer satisfaction. The researcher used a survey method. Keni found that perceived usefulness had a positive impact towards customer satisfaction. Keni states that people's feeling or perception regarding technology will improve the quality of their life and its difficulty to learn could positively affect their level of satisfaction toward the system and the company, which in turns could determine and shape their intention on whether or not to re-engage in another transactional activities toward the company.

H2a, b. Perceived usefulness in BOPIS online contexts has a positive relationship with online (a) and pickup (b) customer satisfaction.

H6a, b. Perceived usefulness in BOPIS pickup contexts has a positive relationship with online (a) and pickup (b) customer satisfaction.

Perceived Ease of Use

Perceived ease of use is considered as the user's belief that technology is easy to use and that it requires less effort to use it (Eneizan et al., 2020). All else being equal, we claim, an application perceived to be easier to use than another is more likely to be accepted by users (Davis, 1989). Arguably, one of the most prominent aspects of appearance in an e-vendor is the ease of use of its Web site (Gefen et al., 2003).

Shah & Attiq (2018) study the impact of technology quality, perceived ease of use and perceived usefulness in the formation of consumer's satisfaction in the context of E-learning. The researchers used data questionnaires in universities to gather data for their study. The results indicate that perceived ease of use has a significant influence on customer satisfaction. "The results imply that the customer would be satisfied if an e-learning system is useful. Consumers have favourable feeling of satisfaction with e-learning when it is perceived to be useful and easy to use" (Shah & Attiq, 2018). Although e-learning differs from online shopping and the BOPIS system, they both are based on the use of technology.

H3a, b. Perceived ease of use in BOPIS online has a positive relationship with online (a) and pickup (b) customer satisfaction.

H7a, b. Perceived ease of use BOPIS pickup has a positive relationship with online (a) and pickup (b) customer satisfaction.

Trust

Trust in a retailer or person is a complex judgment (Basso et al., 2001). It is shown that trust plays a key role in buying processes where consumers especially look for experience and credence qualities of goods or services (Grabner-Kraeuter, 2002). Trust in a store's reliability and the ability of the user interface are strong predictors of purchase intent (Basso et al., 2001). Trust refers to accepting the purchasing process, the retailers, and the integrity of the products being offered (K. Kim et al., 2020). Therefore, believing that companies will be honest in the online ordering and pickup process of the BOPIS process. Thus, a lack of trust in the technical and institutional environments surrounding the web can also hinder e-commerce adoption (McKnight et al., 2002). Because the internet social cues are minimal, trust is difficult to establish (Gefen et al., 2003). Prior research in this area has established that trust in an Internet store depends partly on the size and reputation of the organization (Jarvenpaa et al., 2000). Trust is best achieved by allowing the balance of power to shift toward a more cooperative interaction between an online business and its customers (Hoffman et al., 1999).

In a quantitative study built to develop and validate trust measures for e-commerce, McKnight et al. (2002) found that trust has many dimensions. McKnight gave participants a scenario then participants 'were asked to investigate their legal rights in this situation by visiting a legal advice Web site for which they had seen an advertisement in the local newspaper'. After participants explored the site they were asked a variety of questions pertaining to their trust in the site. Using an in-depth questionnaire, McKnight proves distinction between competence, benevolence, and

integrity thus showing that consumers decide whether to trust websites based on specific attributes rather than broad terms.

D. J. Kim et al. (2009) researched trust and customer satisfaction with a two-round web-based survey in a longitudinal design. The researchers found a positive relationship between trust and customer satisfaction. D. J. Kim et al. (2009) says this study finds that trust has a longer-term impact on the future relationship (i.e., e-loyalty) through satisfaction, a key outcome of the purchase process. This implies that trust affects not only a consumer's immediate purchase decision, and but also the longer-term relationship.

H4a, b. Trust online has a positive relationship with online (a) and pickup (b) customer satisfaction.

H8a, b. Trust pickup has a positive relationship with online (a) and pickup (b) customer satisfaction.

Methodology

From our review of the literature, eight constructs related to BOPIS were identified:

(1) Hedonic value of online shopping and purchasing. Defined refers to the extent to which consumers enjoy the online portion of a BOPIS system;

(2) Perceived usefulness of online shopping and purchasing. Defined refers to the user's perception of the degree to which using the online portion of a BOPIS system will improve their performance;

(3) Ease of use in online shopping and purchasing. Defined refers to the user's perception of the degree to which using the online portion of a BOPIS system will be free of effort;

(4) Trust in online shopping and purchasing. Defined refers to the user's belief that the e-vendor in the online portion of a BOPIS system is behaving ethically;

(5) Hedonic value of physical pickup. Defined refers to the extent to which consumers enjoy the pickup portion of a BOPIS system;

(6) Perceived usefulness of physical pickup. Defined refers to the user's perception of the degree to which using the pickup portion of a BOPIS system will improve their performance;

(7) Ease of use in physical pickup. Defined refers to the user's perception of the degree to which using the pickup portion of a BOPIS system will be free of effort; and

(8) Trust in physical pickup. Defined refers to the user's belief that the store in the pickup portion of a BOPIS system is behaving ethically.

Sample and data collection

Data were collected from 567 respondents who are familiar with BOPIS in the past, resulting in 476 usable responses. We obtained our sample from mainly undergraduate students, who agreed to participate and complete an online survey for extra credit. We also obtained data from adults of all ages. Although this was a smaller portion of the data, it was important to us to get input from all age groups. Demographic characteristics of the respondents are shown in Table I. Gender and age.

15

Table I

Descriptive Statistics of the Respondents (n = 476)

		Frequency	**Percent**
Gender	Male	206	43.3%
	Female	263	55.3%
	Non-binary/third gender	3	0.6%
	Prefer not to say	4	0.8%
Age	18 - 24 years old	343	72.0%
	25 - 40 years old	60	12.6%
	41 - 56 years old	57	12.0%
	55+ years old	16	3.4%

Measures

A pilot study was conducted prior to data collection to assess the quality of the initial survey instrument. First, business faculty reviewed the survey for clarity and ease of use. Second, a pilot survey was administered to undergraduate students. The initial survey contained 74 items representing the eight dimensions identified in the literature review. To assess dimensionality, the 74 items were subjected to exploratory factor analysis using Varimax rotation. Items with low intra-factor loadings and/or high cross-loadings were eliminated. Cronbach reliability scores were calculated for each of the remaining factors and items to further purify the dimensions. 19 items were removed, and four demographic questions were added leaving a total of 59 items across the eight hypothesized dimensions. Coefficient alphas ranged from 0.81 to 0.93, indicating high levels of internal reliability. Factor loadings and reliability scores for each of the measures are reported in Table II. The constructs were measured as follows:

Table II. Descriptive Statistics, factor loadings, and reliability estimates for the measurement model

Table II Construct and Measurement Item	Loadings	Reference
Hedonic Value Online α = .93; CR = .93; AVE = .81		Kim (2010), O'Brian (2010)
Online ordering is...		
(1=strongly disagree to 5=strongly agree)		
HO1 Fun.	0.927	
HO2 Enjoyable.	0.919	
HO3 Entertaining.	0.879	
Ease of Use Pickup α = .81; CR = .88; AVE = .65		
Physical pickup...		Davis (1996), Venkatesh (2012)
(1=strongly disagree to 5=strongly agree)		
EUP2 Is easy to do.	0.836	
EUP3 Is fast to learn.	0.834	
EUP1 Does not require a lot of mental effort.	0.737	
EUP4 Is clear.	0.718	
Perceived Usefulness Online α = .89; CR = .89; AVE = .74		
Online ordering...		Davis (1996), Kim (2020), Venkatesh (2012)
(1=strongly disagree to 5=strongly agree)		
PUO3 Enhances my effectiveness in my daily life.	0.894	
PUO2 Increases my productivity.	0.885	
PUO1 Improves my preformance in everyday life	0.834	
Hedonic Value Pickup α =88; CR = .89; AVE = .72		
Physical pickup...		Kim (2010), O'Brian (2010)
(1=strongly disagree to 5=strongly agree)		
HP2 Is enjoyable.	0.899	
HP3 Is entertaining	0.876	
HP4 Increases my mood.	0.836	
Trust Pickup α = .86; CR = .86; AVE = .67		
Physical pickup...		Pappas (2014), Kim (2020)
(1=strongly disagree to 5=strongly agree)		
TRP5 Has integrity.	0.851	
TRP2 Is fair.	0.831	
TRP3 Keeps their promises to customers.	0.825	
Trust Online α = .86; CR = .87; AVE = .70		
Online ordering...		Pappas (2014), Kim (2020)
(1=strongly disagree to 5=strongly agree)		
TRO1 Is honest.	0.876	
TRO2 Is fair.	0.869	
TRO5 Has integrity.	0.760	
Perceived Usefulness Pickup α = .84; CR = .90; AVE = .76		
Physical pickup...		Davis (1996), Kim (2020), Venkatesh (2012)
(1= strongly disagree to 5 =strongly agree)		
PUP4 Helps me accomplish things more quickly.	0.879	
PUP2 Increases my productivity.	0.814	
PUP5 Is useful in my everyday life.	0.777	
Ease of Use Online α = .90; CR = .90; AVE = .83		
Online ordering...		Davis (1996), Venkatesh (2012)
(1= strongly disagree to 5 =strongly agree)		
EUO3 Is understandable.	0.895	
EUO2 Is clear.	0.894	

Notes: CR = composite reliability; AVE = average variance extracted. Sample

Dependent variables

The two dependent variables in the model are customer satisfaction online and customer satisfaction pickup. A factor analysis confirmed that these two variables are distinct:

(1) Customer satisfaction online ($\alpha = 0.89$) was measured using three original scale items. The overall evaluation of BOPIS online experience was measured on five-point Likert scales, with $1 = $ Strongly Disagree and $5 = $ Strongly Agree.

(2) Customer satisfaction pickup ($\alpha = 0.82$) was measured using three original scale items. Three items related to various aspects of evaluation of BOPIS pickup experience were measured on five-point Likert scales, with $1 = $ Strongly Disagree and $5 = $ Strongly Agree.

Regression results

Using factor scores, a multivariate regression and two separate multiple regression analyses to examine the relationships between these eight constructs and two dependent variables: customer satisfaction online and customer satisfaction pickup. The multivariate regression analysis showed that all of the dimensions significantly contributed to the joint explanation of the dependent variables. For the individual regression analyses, four of the independent variables were significant in both models (hedonic online, ease of use pickup, trust pickup, trust online), whereas the remaining two independent variables were significant in only one of the two models (perceived usefulness online, hedonic pickup, perceived usefulness pickup, ease of use online). Table III contains the multivariate and individual regression results. Table IV presents a review of the hypotheses.

In the customer satisfaction online model, six of the dimensions were significant predictors ($R^2 = 0.509$, $F = 60.636$, $p < 0.001$), with all of the significant relationships in the hypothesized direction. In terms of the relative impact of the significant dimensions on customer satisfaction online, hedonic values of the online portion (H1a) had the strongest influence (H1a, $\beta = 0.320$, t = 13.499, p < 0.001), followed by trust online (H4a, $\beta = 0.236$, t = 9.954, p < 0.001), perceived usefulness online (H2a, $\beta = 0.206$, t = 8.703, p < 0.001), and ease of use online (H3a, $\beta = 0.205$, t = 8.662, p < 0.001). Hedonic pickup (H5b) and perceived usefulness pickup (H6a) were not significant.

Six of the eight dimensions were found to be significant predictors in the customer satisfaction pickup model ($R^2 = 0.532$, $F = 66.276$, $p < 0.001$). Hedonic pickup had the strongest impact on customer satisfaction pickup (H5b, $\beta = 0.286$, t = 13.106, p < 0.001), followed by ease of use pickup (H7b, $\beta = 0.273$, t = 12.476, p < 0.001), and trust in pickup (H8b, $\beta = 0.236$, t = 10.804, p < 0.01). Perceived usefulness online (H2b) and ease of use online (H3b) were not statistically significant.

Table III. Multivariate and multiple regression results

	Multivariate regression results for Customer Satisfaction Online and Customer Satisfaction Pickup						
Variables	Multivariate	Customer Satisfaction Online			Customer Satisfaction Pickup		
	Test: Wilk's Lambda	Standard β	t-value	Significance	Standard β	t-value	Significance
Intercept	6216.773 (p = 0.000)	1.875	79.122	<0.001	2.033	93.158	<0.001
HI: Hedonic online	98.259 (p = <0.001)	**0.320**	13.499	<0.001	0.142	6.495	<0.001
H2: Ease of use pickup	79.038 (p = <0.001)	0.099	4.158	<0.001	**0.273**	12.476	<0.001
H3: Perceived usefulness online	40.673 (p = <0.001)	**0.206**	8.703	<0.001	-0.013	-0.587	n.s.
H4: Hedonic Pickup	86.489 (p = <0.001)	0.034	1.426	n.s.	**0.286**	13.106	<0.001
H5: Trust pickup	64.745 (p = <0.001)	0.136	5.729	<0.001	**0.236**	10.804	<0.001
H6: Trust online	49.681 (p = <0.001)	**0.236**	9.954	<0.001	0.059	2.711	0.007
H7: Perceived usefulness pickup	18.094 (p = <0.001)	0.022	0.929	n.s.	0.131	6.015	<0.001
H8: Ease of use online	38.920 (p = <0.001)	0.205	8.662	<0.001	0.002	0.069	n.s.

Notes: Λ = Lambda; Customer Satisfaction Online ($F = 60.636$, $p < 0.001$, R^2 0.509); Customer Satisfaction Pickup ($F = 66.276$, $p < 0.001$, R^2 0.532); **bold** values indicate the most significant predictors

Table IV. Review of hypotheses

Construct	Dependant variable customer satisfaction online		Dependant variable customer satisfaction pickup	
	Hypothesized direction	Hypothesis supported?	Hypothesized direction	Hypothesis supported?
Hedonic Motivation Online	+	Yes	+	Yes
Hedonic Motivation Pickup	+	No	+	Yes
Perceived Usefulness Online	+	Yes	+	No
Perceived Usefulness Pickup	+	No	+	Yes
Ease of Use Online	+	Yes	+	Yes
Ease of Use Pickup	+	Yes	+	No
Trust Online	+	Yes	+	Yes
Trust Pickup	+	Yes	+	Yes

Discussion

This study was designed to investigate omni-channel buy-online-pickup-in-store (BOPIS). Therefore, our goal was to investigate BOPIS from the consumers point of view to better understand consumer intentions and how BOPIS could improve in the future.

In this paper we addressed two research questions of BOPIS:

a.) What are consumers' attitudes towards BOPIS?

b.) What value does the current BOPIS model bring customers?

Literature (Gannon, n.d.; Shaw, 2020) suggests that BOPIS benefits businesses by increasing revenue, reducing delivery cost, reducing returns, and by providing better inventory tracking. The majority of the literature only touch the surface of consumer benefits such as quicker service, no shipping fees and convenience (Gannon, n.d.; Shaw, 2020). Our goal in research was to take a deep dive into the value that BOPIS brings consumers. We believe that it is important to understand the differences in BOPIS value

propositions by its touchpoints in order to effectively make improvements to this new model that will benefit the user.

We extend BOPIS literature by dividing the online and pickup portions of the BOPIS model to discover what consumers valued most in each portion: online and pickup, or if consumers viewed the entire process as one whole. Our survey results showed that consumers do view the process in two separate parts, with different values in each.

Based on retail literature, we hypothesized that the online portion of the BOPIS model, where the consumers online shop and order items, would be motivated most strongly by hedonic value online and ease of use online (Babin et al., 1994; Childers et al., 2001; Ramayah & Ignatius, 2005). From research, we hypothesized that many consumers online shop for hedonic factors such as 'fun' (Anand et al., 2019; Babin et al., 1994). We also argued that for a consumer to use a new shopping method they would have to perceive it as easy to use (Davis, 1989; Eneizan et al., 2020; Renny et al., 2013). Reflective of literature, our research showed that customer satisfaction in the online portion of BOPIS was most strongly influenced by hedonic value online and trust online. Ease of use online was indeed significant as well, but consumers viewed other constructs as more important. The online portion of BOPIS includes checking out online, where a consumer enters their personal information to purchase the items. As Gefen et al. (2003) states "trust should be *the* defining attribute of the relationship" where there is a purchase interaction. Trust plays a great role customer satisfaction when online purchasing thus the results make logical sense.

Similarly, we hypothesized that the pickup portion of the BOPIS model, where consumers drive to the store and grab their order, would be motivated most strongly by ease of use and perceived usefulness for consumers (Babin et al., 1994; Childers et al., 2001; Ramayah & Ignatius, 2005). We hypothesized that utilitarian values, such as ease of use and perceived usefulness, would be extremely important in the pickup process due to the expressions of accomplishment to complete the shopping task (Babin et al., 1994).

Interestingly and diverging from literature, our research showed that customer satisfaction in the pickup portion of BOPIS was most strongly influenced by hedonic value pickup and ease of use pickup. It was surprising to find that hedonic value was most important to consumers when driving to the store and picking up the item. One possible explanation is that consumers enjoy their drive and find a quick trip into the store fun and enjoyable. Although significant, perceived usefulness did not play as strong of an influencing role as we originally expected for pickup customer satisfaction. This suggests that consumers may not value the impact BOPIS technology will have on the quality of life as much as we thought they would (Keni, 2020).

Although consumers view online ordering and physical pickup separately, there is an overarching halo effect on the process as evidenced by ease of use pickup and hedonic pickup significant impact on online customer satisfaction. Similarly, hedonic online and trust online had a significant impact on pickup customer satisfaction.

Limitations

This study has limitation that provide as important insights and opportunities for future research. First, our study would benefit from a larger study that included multiple

generations to enhance the generalizability of the results. While our research sample did consist of people of all ages, the majority of the sample was generation Z.

Second, there are numerous factors that induce consumers to opt for BOPIS. However, for simplicity, we selected only some of these factors for the analysis. Future research could use more factors to gain a more in-depth understanding regarding why consumers use BOPIS.

Managerial Implications

From a managerial point of view, our research offers insights regarding consumer attitudes towards a new business model. Marketing strategies should focus on increasing the fun and enjoyment within the BOPIS process due to hedonic value being highly valued throughout the BOPIS experience. Firms can boost entertainment and emotion in the retail process by increasing interactiveness within BOPIS applications with tools such as enhancing aesthetics, adding animation, and personalized messages. Along with this, increasing feelings of trust, ease of use and perceived usefulness will increase customer satisfaction for the BOPIS process.

Conclusion

As buy-online-pickup-in-store (BOPIS) becomes increasingly strategic business model to the retail industry, it is important for establishments to understand consumers' attitude towards it. By testing hedonic and utilitarian value constructs on customer satisfaction within the BOPIS process, this study established that there is a difference in consumer value between the online ordering and physical pickup within the BOPIS purchasing process. Consumer's value hedonic value and trust most within the online

portion; whilst they value hedonic value and ease of use most within the pickup portion. Additionally, there is a halo effect for the BOPIS process as a whole: some online and pickup constructs overlapped showing that the two parts do influence each other. This suggests that because consumers do view BOPIS online ordering and physical pickup separately, it is important to cater the process towards consumer values and consider the flow of the process as an entirety. Future research into BOPIS should focus on creating a personalized and consumer targeted omnichannel experience. Furthermore, while this experiment measured utilitarian and hedonic constructs, more in-depth studies are required to gain increased insight into different patterns of usage.

Bibliography

Alam, S. S., & Yasin, N. Mohd. (2010). An Investigation into the Determinants of
    Customer Satisfaction. *Journal of Marketing Research*, *19*(4), 491–504.
    https://doi.org/10.1177/002224378201900410

Anand, T., Ramachandran, J., Sambasivan, M., & Batra, G. S. (2019). Impact of Hedonic
    value on Consumer Satisfaction Towards Online Shopping: Evidence from
    Malaysia. *E-Service Journal*, *11*(1), 56. https://doi.org/10.2979/eservicej.11.1.03

Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun : utilitarian Shopping
    Value. *Journal of Consumer Research*, *20*(4), 644–657.

Barta, R., & Ahtola, O. T. (2014). Measuring the Hedonic and Utilitarian Sources of
    Consumer Attitudes. *International Journal of Innovation and Scientific Research*,
    6(1), 71–74.

Basso, A., Goldberg, D., Greenspan, S., & Weimer, D. (2001). First impressions:
    Emotional and cognitive factors underlying judgments of trust E-commerce.
    Proceedings of the ACM Conference on Electronic Commerce, 137–143.

Carlson, J., O'Cass, A., & Ahrholdt, D. (2015). Assessing customers' perceived value of
    the online channel of multichannel retailers: A two country examination. *Journal of
    Retailing and Consumer Services*, *27*, 90–102.
    https://doi.org/10.1016/j.jretconser.2015.07.008

Carpenter, J. M., & Moore, M. (2009). Utilitarian and hedonic shopping value in the US

    discount sector. *Journal of Retailing and Consumer Services*, *16*(1), 68–74.

    https://doi.org/10.1016/j.jretconser.2008.10.002

Childers, T. L., Carr, C., Peckc, J., & Carson, S. (2001). *Hedonic and utilitarian values*

    for online retail shopping behavior.

Damen, A. (2022). *What is Buy Online, Pick-Up In Store (BOPIS) in Retail? (2022)*.

    Shopify. https://www.shopify.com/retail/bopis

Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of

    information technology. *MIS Quarterly: Management Information Systems*, *13*(3),

    319–339. https://doi.org/10.2307/249008

Eneizan, B., Alsaad, A., Alkhawaldeh, A., Rawash, H. N., & Enaizan, O. (2020). E-

    WOM, trust, usefulness, ease of use, and online shopping via websites: The

    moderating role of online shopping experience. *Journal of Theoretical and Applied*

    Information Technology, *98*(13), 2554–2565.

Evelina, T. Y., Kusumawati, A., Nimran, U., & Sunarti. (2020). The influence of

    utilitarian value, hedonic value, social value, and perceived risk on customer

    satisfaction: Survey of E-commerce customers in indonesia. *Business: Theory and*

    Practice, *21*(2), 613–622. https://doi.org/10.3846/btp.2020.12143

Gannon, C. (n.d.). *BOPIS: How Buy Online, Pick-Up in Store is Catering to Consumer's*

    Needs and Boosting Retailer's Bottom Lines. Big Commerce.

    https://www.bigcommerce.com/articles/offline-to-online/bopis/

Gefen, D., Karahanna, E., & Straub, D. W. (2003). *Trust and TAM in Online Shopping: An Integrated Model*. *27*(March), 51–90.

Grabner-Kraeuter, S. (2002). The role of consumers trust in online-shopping. *Journal of Business Ethics*, *39*(1–2), 43–50. https://doi.org/10.1023/A:1016323815802

Hirschman, E. C., & Holbrook, M. B. (2015). Hedonic Consumption: Emerging Concepts, Methods and Propositions. *Wiley Encyclopedia of Management*, *46*(3), 1–1. https://doi.org/10.1002/9781118785317.weom090127

Hoffman, D. L., Novak, T. P., & Peralta, M. (1999). Building Consumer Trust Online. *Communications of the ACM*, *42*(4), 80–85. https://doi.org/10.1145/299157.299175

Jarvenpaa, S., Tractinsky, N., & Vitale, M. (2000). Consumer trust in an Internet store. *Information Technology and Management*, *1*(1/2), 45–71. https://doi.org/10.1023/A:1019104520776

Keni, K. (2020). How Perceived Usefulness and Perceived Ease of Use Affecting Intent to Repurchase? *Jurnal Manajemen*, *24*(3), 481. https://doi.org/10.24912/jm.v24i3.680

Ketzenberg, M., & Akturk, M. S. (2021). *How "Buy Online, Pick Up In-Store" Gives Retailers an Edge*. Harvard Business Review. https://hbr.org/2021/05/how-buy-online-pick-up-in-store-gives-retailers-an-edge

Kim, D. J., Ferrin, D. L., & Rao, R. (2009). Trust and satisfaction, two stepping stones for successful e-commerce relationships: A longitudinal exploration. *Information Systems Research*, *20*(2), 237–257. https://doi.org/10.1287/isre.1080.0188

Kim, H. (2006). Using Hedonic and Utilitarian Shopping Motivations to Profile Inner

    City Consumers. *Journal of Shopping Center Research*, *13*(1), 57–79.

Kim, K., Han, S. L., Jang, Y. Y., & Shin, Y. C. (2020). The effects of the antecedents of

    "buy-online-pick-up-in-store" service on consumer's bopis choice behaviour.

    Sustainability (Switzerland), *12*(23), 1–15. https://doi.org/10.3390/su12239989

Lee, S., & Kim, D.-Y. (2018). The effect of hedonic and utilitarian values on satisfaction

    and loyalty of Airbnb users. *International Journal of Contemporary Hospitality*

    Management, *30*(3), 1332–1351. https://doi.org/10.1108/IJCHM-09-2016-0504

Marhamat, B. (2021). *5 ways BOPIS improves the in- location customer experience*. 1–5.

    https://www.retailcustomerexperience.com/blogs/5-ways-bopis-improves-the-in-

    location-customer-experience/

McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and validating trust

    measures for e-commerce: An integrative typology. *Information Systems Research*,

    13(3), 334–359. https://doi.org/10.1287/isre.13.3.334.81

O'Brien, H. L. (2010). The influence of hedonic and utilitarian values on user

    engagement: The case of online shopping experiences. *Interacting with Computers*,

    22(5), 344–352. https://doi.org/10.1016/j.intcom.2010.04.001

Owens, B. (2022). *BOPIS: What it is and why it's so popular with consumers*. Whiplash.

    https://whiplash.com/blog/buy-online-pickup-in-store/

Ozen, H., & Kodaz, N. (2018). Utilitarian or Hedonic? A Cross Cultural Study in Online

Shopping. *Organizations and Markets in Emerging Economies*, *3*(2), 80–90.

https://doi.org/10.15388/omee.2012.3.2.14269

Pappas, I. O., Pateli, A. G., Giannakos, M. N., & Chrissikopoulos, V. (2014). Moderating

effects of online shopping experience on customer satisfaction and repurchase

intentions. *International Journal of Retail and Distribution Management*, *42*(3),

187–204. https://doi.org/10.1108/IJRDM-03-2012-0034

Pereira, H. G., Salgueiro, M. de F., & Rita, P. (2016). Online purchase determinants of

loyalty: The mediating effect of satisfaction in tourism. *Journal of Retailing and*

Consumer Services, *30*(351), 279–291.

https://doi.org/10.1016/j.jretconser.2016.01.003

Ramayah, T., & Ignatius, J. (2005). Impact of Perceived usefulness , Perceived ease of

use and Perceived Enjoyment on Intention to Shop Online. *ICFAI Journal of*

Systems Management (IJSM), 1–16.

http://ramayah.com/journalarticlespdf/impactpeu.pdf

Renny, Guritno, S., & Siringoringo, H. (2013). Perceived Usefulness, Ease of Use, and

Attitude Towards Online Shopping Usefulness Towards Online Airlines Ticket

Purchase. *Procedia - Social and Behavioral Sciences*, *81*, 212–216.

https://doi.org/10.1016/j.sbspro.2013.06.415

Rita, P., Oliveira, T., & Farisa, A. (2019). The impact of e-service quality and customer

satisfaction on customer behavior in online shopping. *Heliyon*, *5*(10), e02690.

https://doi.org/10.1016/j.heliyon.2019.e02690

Sarkar, A. (2011). Impact of Utilitarian and Hedonic Shopping Values on Individual's
Perceived Benefits and Risks in Online Shopping. *International Management
Review*, *7*(1), 58.

Shah, H. J., & Attiq, S. (2018). Abasyn Journal of Social Sciences – Volume:9 – Issue: 1.
Abasyn Journal of Social Sciences, *9*(11), 201–210.
http://ajss.abasyn.edu.pk/admineditor/papers/V9I1-15.pdf

Shaw, N. (2020). *Why Your Retail Business Needs to Deploy BOPIS*. Business 2
Community. https://www.business2community.com/consumer-marketing/why-your-
retail-business-needs-to-deploy-bopis-02347326

To, P. L., Liao, C., & Lin, T. H. (2007). Shopping motivations on Internet: A study based
on utilitarian and hedonic value. *Technovation*, *27*(12), 774–787.
https://doi.org/10.1016/J.TECHNOVATION.2007.01.001

Zeithaml, V. A. (1988). Consumer Perceptions of Price, Quality, and Value: A Means-
End Model and Synthesis of Evidence. *Journal of Marketing*, *52*(3), 2.
https://doi.org/10.2307/1251446