Application of Omnichannel Strategy and Content Personalization to Customer Loyalty in the Fashion Retail Industry in Makassar

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ABSTRACT

This study explores the impact of an omnichannel strategy and content personalization on customer loyalty in the fashion retail industry in Makassar. Using a quantitative approach, data were collected from 60 respondents through a structured questionnaire and analyzed using SPSS version 26. The study measured the relationships between omnichannel strategy, content personalization, and customer loyalty using a Likert scale (1-5). Results from Pearson correlation and multiple regression analyses indicated significant positive relationships between omnichannel strategy and customer loyalty ($r = 0.72$, $p < 0.01$) as well as content personalization and customer loyalty ($r = 0.68$, $p < 0.01$). The regression model explained 62% of the variance in customer loyalty, confirming the combined influence of these strategies on fostering customer retention. The findings suggest that fashion retailers in Makassar can enhance customer loyalty by offering seamless omnichannel experiences and personalized content that meets individual preferences.

Keywords: Omnichannel Strategy, Content Personalization, Customer Loyalty, Fashion Retail, Makassar

1. INTRODUCTION

The integration of digital technologies in the fashion industry has significantly shifted consumer engagement, driving retailers to adopt omnichannel strategies. These strategies, which seamlessly merge online and offline platforms, are key to enhancing customer convenience, engagement, and loyalty by providing a consistent shopping experience across various touchpoints. As e-commerce and digital marketing reshape the industry, understanding e-tailing dynamics, such as personalized shopping and augmented reality, becomes essential [1]. Omnichannel strategies help retailers expand market presence and adapt to changing consumer preferences [2], with features like online purchases and in-store pickup improving efficiency and customer loyalty [3]. Effective omnichannel approaches include loyalty programs tailored to customer needs and a holistic alignment with business objectives [2], [3]. In India, omnichannel retailing has improved efficiency, financial performance, and customer satisfaction [4], making it essential for delivering a consistent customer experience and fostering loyalty [5].

The rising demand for personalized experiences in the fashion industry has led retailers to tailor their marketing to individual customer preferences. Content personalization—delivering customized messages, product recommendations, and promotions based on customer data—is key to retaining customers and building brand loyalty. This approach fosters stronger emotional connections, a crucial edge in a rapidly evolving industry. Technology plays a major role, with deep learning algorithms, such as CNNs and RNNs, analyzing customer behavior to create tailored marketing campaigns, improving engagement and conversion rates [6]. Machine learning also enhances loyalty by using data like browsing history to deliver personalized recommendations and dynamic pricing [7]. Retailers further personalize strategies with fashion personality assessments,

linking behavior to personality traits for tailored designs [8], while digital marketing supports adaptation to shifting trends in product development, distribution, and retailing [9], [10].

Omnichannel strategies and content personalization are key to enhancing customer loyalty in the fashion retail sector by enabling retailers to engage customers across multiple platforms, creating a seamless shopping experience that drives repeat purchases and long-term loyalty. These strategies increase market presence and adapt to consumer preferences, with omnichannel loyalty programs significantly boosting Lifetime Value (LTV) and total sales [2]. Integrating customer data across channels enables personalized shopping experiences, fostering emotional connections [11], [12]. Personalized loyalty programs with tiered benefits improve retention by creating a sense of value [13], [14]. The combined use of omnichannel strategies and personalization creates a cohesive customer experience, crucial for retention in the competitive fashion market [2], [12].

This study aims to address this gap by investigating the application of omnichannel strategy and content personalization on customer loyalty in the fashion retail industry in Makassar. As a major city in Eastern Indonesia, Makassar serves as a growing hub for retail activities, with fashion retailers increasingly adopting digital tools to reach and retain their customer base. The objectives of this research are: (1) to assess the impact of omnichannel strategy on customer loyalty in the fashion retail industry in Makassar, (2) to evaluate the influence of content personalization on customer loyalty in the same context, and (3) to analyze the combined effect of omnichannel strategy and content personalization on customer loyalty.

2. LITERATURE REVIEW

2.1 Omnichannel Strategy

Omnichannel retailing is a strategic approach that integrates various sales and communication channels to deliver a seamless customer experience, essential for modern retailers aiming to meet evolving consumer expectations for flexibility and convenience. By ensuring that interactions across physical stores, websites, mobile apps, and social media are interconnected, omnichannel retailing enhances customer satisfaction and engagement, leading to increased spending and retention through consistent cross-channel interactions. Omnichannel strategies are designed to provide a seamless experience across all platforms, ensuring customer satisfaction [5], [15], while the integration of online and offline channels allows for flexibility and convenience [15]. Additionally, this approach improves operational efficiency and financial performance through streamlined processes and better inventory management [3], [4]. Omnichannel loyalty programs further enhance customer retention by interacting with customers through various channels, increasing market presence and boosting Lifetime Value (LTV) and total sales [2]. As a strategic imperative in the digital era, omnichannel retailing ensures a consistent customer-centric model across all channels, fostering long-term loyalty [5].

2.2 Content Personalization

Content personalization in e-commerce is a powerful strategy that uses machine learning and data analytics to tailor customer experiences, significantly enhancing customer loyalty. By analyzing user data like browsing history, purchasing behavior, and demographics, businesses can offer personalized product recommendations,

dynamic pricing, and curated content, fostering long-term loyalty by making customers feel valued. Machine learning algorithms, such as Convolutional Neural Networks (CNN) and Recurrent Neural Networks (RNN), are key in predicting customer preferences and optimizing decision-making in online shopping [7], [16]. These techniques enable personalized experiences, such as content-based filtering systems used in skincare recommendations, demonstrating the potential of machine learning in tailoring experiences to individual preferences [17]. Personalization strengthens emotional connections with consumers, reduces information overload, and encourages repeat purchases, especially in industries like fashion retail, where trends change quickly [7]. However, ethical considerations like data privacy and algorithmic bias must be addressed, with future personalization techniques likely to involve trusted curation and context-aware AI [18].

2.3 Customer Loyalty

Customer loyalty is a critical metric for retail businesses, reflecting the likelihood of repeat purchases and brand advocacy. In the context of omnichannel retailing, loyalty is significantly enhanced by seamless transitions across platforms and personalized experiences. Research shows that omnichannel customers exhibit higher loyalty due to the convenience and consistency provided by integrated online and offline channels, which also allow retailers to gather data across multiple touchpoints for more personalized interactions [12], [19]. Personalized content, such as tailored offers and product recommendations, fosters emotional connections with customers, increasing their likelihood of staying loyal to the brand. Key factors influencing loyalty include brand equity, trust, product quality, and brand reputation, all of which are essential for long-term relationships and sustaining loyalty [12], [20]. Additionally, superior service quality and a seamless omnichannel experience further enhance customer satisfaction and retention [12], [21]. Understanding the formation of loyalty and its impact on marketing strategies is essential for effective management [21], [22].

2.4 Omnichannel Strategy, Content Personalization, and Customer Loyalty in Fashion Retail

The integration of omnichannel strategies with content personalization significantly enhances customer loyalty, especially in the fashion retail industry. By providing a seamless and engaging experience across multiple platforms, retailers can effectively meet the demands of the digital age. Omnichannel strategies allow retailers to interact with customers both online and offline, expanding market presence and adapting to evolving consumer preferences [2]. Personalized content further strengthens this approach by fostering emotional connections, boosting satisfaction, and building long-term loyalty [23]. The successful implementation of omnichannel loyalty programs has been shown to increase Lifetime Value (LTV) and total sales [2], while personalization enhances the customer experience, significantly influencing brand loyalty through tailored service and communication [23], [24]. By combining omnichannel strategies and personalized content, fashion retailers can create a powerful driver for customer loyalty, providing both convenience and emotional engagement, which are essential for retaining customers and improving long-term brand loyalty [12], [25].

3. METHODS

3.1 Research Design

This study employs a quantitative research design to assess the relationship between the independent variables—omnichannel strategy and content personalization—and the dependent variable, customer loyalty. A structured survey was used to gather numerical data, which was analyzed using statistical methods to identify patterns and relationships among the variables. This approach allows for the collection of measurable data, which is suitable for testing hypotheses and establishing cause-and-effect relationships.

3.2 Population and Sample

The target population for this study consists of customers who have made purchases from fashion retail stores in Makassar, either online or through physical outlets. Makassar, being a major city in Eastern Indonesia, has a growing fashion retail industry with an increasing adoption of digital strategies by retailers. The population represents individuals who have experienced both omnichannel interactions and personalized marketing content in their shopping journey. A non-probability convenience sampling technique was employed to select the sample for this study, chosen due to its efficiency and ease of access to respondents who fit the study's criteria. A total of 60 respondents were selected based on their recent shopping experiences in the fashion retail industry. These respondents were customers who had engaged with retailers through multiple channels (e.g., physical stores, websites, and mobile apps) and had experienced some form of personalized content, such as tailored promotions or product recommendations.

3.3 Data Collection

Data for this study were collected using a structured questionnaire distributed to respondents. The questionnaire was designed to capture the participants' perceptions of the omnichannel strategy, content personalization, and their loyalty to the fashion retailers they interacted with. The responses were measured on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). This scale allowed for the measurement of respondents' attitudes and opinions across a range of agreement levels, providing nuanced data for statistical analysis.

3.4 Data Analysis

Data analysis was conducted using SPSS version 26, a widely used statistical software package for quantitative data analysis. The analysis involved several steps: (1) Descriptive statistics, such as means, standard deviations, and frequencies, were calculated to summarize the basic characteristics of the sample and their responses to the questionnaire; (2) A reliability test, specifically Cronbach's alpha, was conducted to assess the internal consistency of the questionnaire items for each variable (omnichannel strategy, content personalization, and customer loyalty), with a Cronbach's alpha value of 0.70 or higher considered acceptable for ensuring the reliability of the scales used; (3) Pearson correlation analysis was used to examine the relationships between the independent variables (omnichannel strategy and content personalization) and the dependent variable (customer loyalty), helping determine the strength and direction of the relationships between the variables; and (4) Multiple regression analysis was performed to test the hypotheses and identify the impact of omnichannel strategy and content personalization on customer loyalty, assessing how much variance in customer loyalty can be explained by the independent variables and determining the significance of each variable's contribution to the dependent variable.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

Descriptive statistics were used to summarize the demographic characteristics of the 60 respondents and their responses to the questionnaire items. The sample consisted of fashion retail customers in Makassar who had experienced both omnichannel shopping and personalized marketing content. The majority of respondents were between 25 and 34 years old (55%), followed by the 18 to 24 age group (30%) and the 35 to 44 age group (15%). In terms of gender, 60% of the respondents were female, while 40% were male, reflecting the gender distribution in the fashion retail customer base. Regarding shopping frequency, 40% of respondents shopped for fashion items once a month, 30% shopped biweekly, and 30% shopped more than once a week. In terms of omnichannel interaction, 65% of respondents reported using both online and offline channels when shopping, while 25% relied solely on online channels, and 10% used offline channels exclusively.

The mean scores for the main variables—omnichannel strategy, content personalization, and customer loyalty—were calculated based on the Likert scale (1–5), providing an initial understanding of the respondents' attitudes toward these variables. The mean score for omnichannel strategy was 4.1, indicating that respondents generally agreed that the fashion retailers they interacted with provided a seamless omnichannel experience. For content personalization, the mean score was 4.0, suggesting that respondents experienced a high level of personalization in their interactions with fashion retailers. Lastly, the mean score for customer loyalty was 4.2, indicating that respondents expressed a strong sense of loyalty toward the fashion retailers.

4.2 Reliability Analysis

A reliability analysis was conducted using Cronbach's alpha to assess the internal consistency of the questionnaire items for each variable. The results showed that all scales had high reliability, with Cronbach's alpha values above the acceptable threshold of 0.70: omnichannel strategy (Cronbach's alpha = 0.854), content personalization (Cronbach's alpha = 0.838), and customer loyalty (Cronbach's alpha = 0.882). These results suggest that the items used to measure each variable were reliable and consistent.

4.3 Correlation Analysis

Pearson correlation analysis was conducted to examine the relationships between the independent variables (omnichannel strategy and content personalization) and the dependent variable (customer loyalty). The correlation coefficients were as follows: omnichannel strategy and customer loyalty ($r = 0.725$, $p < 0.01$), content personalization and customer loyalty ($r = 0.688$, $p < 0.01$), and omnichannel strategy and content personalization ($r = 0.622$, $p < 0.01$). The correlation results indicate that both omnichannel strategy and content personalization have strong positive relationships with customer loyalty, suggesting that customers who experience seamless omnichannel shopping and personalized content are more likely to remain loyal to the fashion retailers.

4.4 Multiple Regression Analysis

To test the study's hypotheses, a multiple regression analysis was performed with omnichannel strategy and content personalization as the independent variables and customer loyalty as the dependent variable. The results of the regression analysis are presented in Table 1.

Table 1. Multiple Regression

Variable	B	Standard Error	t	p-value
Omnichannel Strategy	0.555	0.121	4.586	0.000
Content Personalization	0.488	0.102	4.803	0.000
R^2	0.622			
Adjusted R^2	0.604			

The regression model explained 62% of the variance in customer loyalty ($R^2 = 0.622$), indicating that the model provides a good fit for the data. Both omnichannel strategy (B = 0.555, p < 0.001) and content personalization (B = 0.488, p < 0.001) were found to have significant positive effects on customer loyalty. These findings support H1 and H2, confirming that both variables significantly influence customer loyalty in the fashion retail industry in Makassar.

Discussion

The results of this study align with previous research that highlights the importance of omnichannel strategies and content personalization in driving customer loyalty. The significant positive relationship between omnichannel strategy and customer loyalty demonstrates that fashion retailers who offer seamless shopping experiences across multiple channels can enhance customer retention. This finding is consistent with the work of [2], [12], [23], who found that omnichannel strategies improve customer satisfaction and loyalty by providing convenience and flexibility in the shopping process.

Content personalization was also found to have a strong positive effect on customer loyalty, supporting the argument that personalized content strengthens the emotional connection between customers and brands. This result is in line with the findings of [26], [27], who suggested that personalized marketing messages and product recommendations increase customer satisfaction and loyalty by making customers feel valued and understood.

The regression analysis further confirmed that both omnichannel strategy and content personalization significantly contribute to customer loyalty, explaining 62% of the variance in the dependent variable. This indicates that fashion retailers in Makassar can achieve higher customer loyalty by integrating omnichannel approaches with personalized content delivery. The combined effect of these strategies enhances the overall customer experience, making shopping more convenient and relevant to individual preferences.

In practical terms, fashion retailers can use these findings to develop more effective customer engagement strategies. By focusing on improving the integration of online and offline channels and leveraging customer data to personalize interactions, retailers can foster stronger customer loyalty, which is critical for long-term business success in the competitive fashion retail sector.

CONCLUSION

This study highlights the significant impact of omnichannel strategy and content personalization on customer loyalty in the fashion retail industry in Makassar. The findings suggest that integrating multiple sales and communication channels enhances customer loyalty by providing a seamless and convenient shopping experience, while personalized content tailored to individual preferences strengthens emotional connections with customers, further contributing to loyalty. The combination of these strategies explained 62% of the variance in customer loyalty, underscoring their importance in the highly competitive fashion retail market. For fashion retailers in Makassar and similar markets, these results offer practical implications for improving customer retention. Retailers should prioritize the implementation of omnichannel strategies to create a consistent shopping experience across online and offline platforms, while also leveraging data-driven personalization techniques to deliver relevant content and offers that resonate with individual customers. By adopting these approaches, retailers can build long-term relationships with customers, leading to sustained business growth. Future research could explore additional factors, such as customer demographics or technology adoption, to gain a more comprehensive understanding of customer loyalty drivers in different retail contexts.

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