

---

# THE PHYGITAL PARADOX: NAVIGATING THE INTERSECTION OF DIGITAL AND PHYSICAL IN THE INDIAN HOSPITALITY INDUSTRY

---

**Surbhi Choudhary\*, Vinay Chauhan\*\***

*\*Research Scholar, The University of Jammu, The Business School, Jammu, J&K, India. Email: surbhichoudhary002@gmail.com*

*\*\*Director & Professor, The University of Jammu, Jammu, J&K, India. Email: vinaychauhanbts@gmail.com*

## Abstract

*In the era of Artificial Intelligence, everything is navigating from physical to digital making it significant to study the significance of the Phygital Paradox. This study intends to investigate and validate phygital marketing and its dimensions to assess the influence of phygital marketing on the customer experience in the Indian hospitality industry. The study adopted online and offline questionnaires for data collection. The hotel's managers and the hotel's guests provided a total of 86% responses, which were then compiled using a convenience sampling technique. The hypothesis was examined using the structural equation modelling approach. The results confirmed a significant impact of phygital marketing on customer experience. The findings guide hospitality industry managers to use the phygital marketing approach to enhance customer experience. The connection between phygital marketing and customer experience gives managers a comprehensive and structured approach to improving customer experiences. Advancing from existing marketing and customer experience literature, this study contributes to the phygital marketing and customer experience literature in the hospitality industry context by empirically testing the relationship between phygital marketing and customer experience and developing a phygital marketing and customer experience framework (PM-CX). This study would be beneficial for market practitioners and hospitality sector managers to elevate customer experiences.*

**Keywords:** *Phygital Marketing, Physical Marketing, Digital Marketing, Customer Experience, Hospitality Industry*

## **Introduction**

The Indian hospitality industry, pioneered by the hotel market, has emerged as the eminent sector driving the country's economic growth. India has a rich diversity in its culture and has been attracting many tourists from across the globe. The hospitality sector has had significant space for growth, accounting for more than 8% of the workforce and creating an estimated 15 million new employment in the last few years. It is one of the most lucrative industries. It is one of the top sectors bringing direct foreign investment to the nation.

The advent of technology has altered customer needs, tastes, expectations, and habits. Customers today are more knowledgeable and in control because they expect a customized experience at every stop along their journey. Artificial intelligence, big data, the internet of things, mobile, and virtual reality are examples of digital transformation technologies that provide a distinctive, personalized guest experience. There are several methods to offer customers an incredibly personalized experience from the time of initial hotel research to the point of post-stay, ranging from mobile-friendly websites, apps, and contactless check-in to virtual concierge services, built-in wi-fi coffee makers, and much more. Consumers today increasingly place a higher value on experiences than they do on goods or services (Klaus & Nguyen, 2013; Jaworski, 2018). A brand-new customer experience called “phygital” has arisen, fusing the traits of both the physical and digital worlds (Batat, 2019a, 2019b, 2021, 2022). As a result, marketing researchers and businesses now place the highest premium on offering crucial phygital customer experiences.

The phygital approach creates unique and immersive experiences by combining physical and digital tools, platforms, devices, and technology. In order to provide value to their clients, phygital uses a holistic approach in communication, marketing, branding, advertising, product innovation, pricing, etc. The phygital experience encompasses several factors that can be implemented in different areas as it is not just confined to retail and marketing. The phygital approach will outline a new experience form, combining the physical and digital worlds (Rigby, 2011). In addition, this paper will propose that researchers and scholars define and comprehend the impact of digital and physical marketing tools on customer experiences.

Previous studies have provided significant insights into the relationship between phygital marketing and the customer experience in retail, fashion, education, lifestyle, and banking context (Mbaabu, 2020; Banik, 2021; Klaus, 2021; Pangarkar et al., 2022). This paper intends to explore and validate the dimensions of phygital marketing and measure the effect of phygital marketing on customer experience in the hospitality industry. The phygital approach aims to establish a continuum in the value delivery process to give outstanding and memorable customer experiences. Phygital designates a multi-dimensional, integrative, and holistic ecosystem. The phygital method has garnered growing interest in research due to the requirement for a framework that provides a thorough view of customers and their expectations and an understanding of the factors that influence customers' phygital experiences. The objective of this study is to validate and investigate the dimensions of phygital marketing and to assess the influence of phygital marketing on customer experience in the Indian hospitality industry.

## **Literature Review**

### ***Phygital Marketing***

The pragmatic shift in the marketing communication landscape, which is now a blend of the physically present and digitally connected marketing environment, was made possible by the digital revolution (Winer, 2009; Vernuccio & Ceccotti, 2015). Online marketing activities are managed over digital touchpoints like social networks. In contrast, offline marketing communication activities are managed over physical touchpoints and traditional media channels (e.g., printed materials) (Vernuccio et al., 2021). The technologies dominate the ability to integrate many engaging features of the in-person buying experience with digital search and payment methods. This impressive and prevalent integration has been called a “phygital revolution” (Johnson & Barlow, 2021). The phygital approach is frequently used in the existing literature on customer experience, pointing to multichannel, cross-channel, and omnichannel, a practical approach that confines its application.

Batat (2021) suggests that customer experience researchers consider phygital as a holistic ecosystem as an integrative approach beyond the channel marketing perspective. The phygital marketing approach incorporates multiple marketing channels, communication tools, and several components of the customer experience. Phygital is a broad framework that describes a multi-dimensional, integrative, and holistic ecosystem. As a result of the need for a framework that offers a comprehensive perspective on customers and

their demands and identifies the factors that influence customers' phygital experiences, the phygital approach has drawn increasing interest in research.

According to the extant literature on marketing and management, future activities will be progressively personalized and focused on the needs of individual customers. Marketing has to adapt to the challenges of the future, integrating marketing physical and digital marketing tools and application of phygital strategies into its analysis, planning, and communication processes for enhancing customer experience (Seck & Philippe, 2013; Shobeiri et al., 2014; Cao & Li, 2015; Lemon & Verhoef, 2016; Brun et al., 2017; Ahn & Back, 2018; Bueno et al., 2019; Shandilya et al., 2023; Shandilya & Srivastava., 2023).

### ***Phygital Marketing and Customer Experience (PM-CX)***

The emerging technologies enable hyper-connected customers to deliver phygital experiences by improving customers' physical experiences and digital experiences. Technologies are enforced to develop hybrid physical and digital experiences (Srivastava, 2023). Kajekar (2018) affirms that the phygital approach combines two worlds: physical for reliability, trust, and human link and digital for data collection and analysis, making it all together with a significant approach. It can change the entire scenario of the customer experience.

The origin of the concept phygital was initially coined by Chris Weil in 2007 by an advertising agency 'Momentum' however, the phygital experience concept was for the first time used in 2017 by the World Marketing Congress of the Academy of Marketing Science (Rossi & Krey, 2018). The phygital marketing and customer experience framework refers to the interactions between physical and digital marketing communication tools in the phygital ecosystem. The phygital marketing and customer experience (PM-CX), an integrated research approach that focuses on improving customer experiences, should also be able to pinpoint the pertinent touchpoints between customers and businesses. Therefore, developing the customer experience framework in phygital settings is relevant for all physical and digital marketing communication instruments.

The concept of a whole experience is promoted by the phygital marketing and customer experience (PM-CX) approach. According to a phygital research methodology, phygital marketing should make it easier for clients to

migrate between physical and digital settings, while preserving and increasing their experience throughout the full consumption cycle. Additionally, this incorporates technology that immerses customers. The idea of coordinating numerous physical and digital marketing techniques works in cooperation with the atmospheric, human, functional, cognitive, and symbolic components presented by physical settings to maintain engaging and intense client encounters (Batat, 2019a). The framework for phygital enables organizations to concentrate on the versatility of their technologies, and it must be evaluated from the standpoint of the consuming environment. As a result, it is critical to determine customers' readiness to adopt technology before it is implemented (Poushneh & Vasquez-Parraga, 2018; Tuan, 2021).

The phygital marketing and customer experience method provides an integrated and comprehensive approach to the customer's experience, connecting physical and digital areas. The act of turning digital customer experiences into physical ones is referred to as "phygitalization," and it enhances the phygital experience. These two procedures are prioritized under the framework for phygital marketing and customer experience. Digitalization is the process of transforming physical customer experiences into digital ones. As a result of the transition from physical to digital, the physical customer experience needs to be enhanced.

Phygital is a multifaceted framework that gives appropriate customer experiences by combining consumers' demands. It can be thought of as a holistic perspective. The phygital goal is to make it easier to give reliable consumer value in hybrid situations. By facilitating customers' movement between digital and physical areas, phygital enables businesses to offer appealing experiences in hybrid contexts. Several studies, including those by Akter et al. (2021); Klaus and Nguyen (2013), have investigated the interaction of offline and online offers. Clearly, no framework in place clarifies how customer experiences in the physical and digital worlds are related (Batat, 2019a). Researchers and organizations may investigate phygital customer experiences integrating digital and physical features to find the most significant contrasts and affinities between digital and physical customer experiences (Srivastava et al., 2023). The phygital marketing and customer experience (PM-CX) approach provides a comprehensive picture of the phygital environment's shifting dynamics.

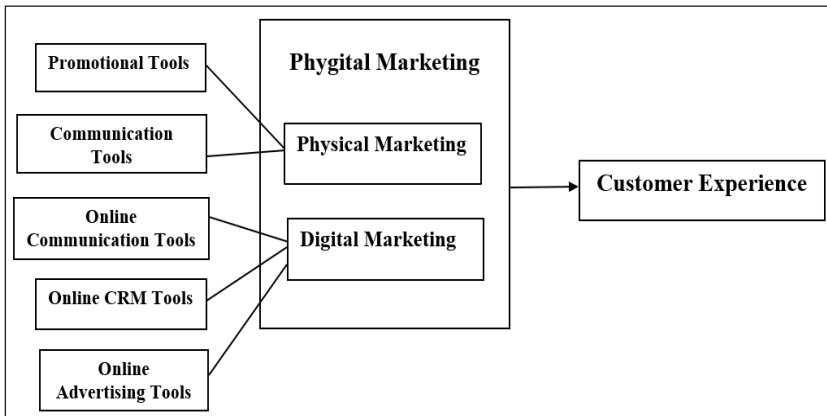
Since the use of phygital marketing also helps interactive and personalized experiences because these concepts are tied to one another, it is

clear from existing studies that marketing channel strategies for collective and individualized customer experiences (Cao & Li, 2018). It is crucial to research the use of phygital marketing in the context of customer experience because some marketing experts claim that there is a lack of research on customer experience management, particularly in a phygital environment (Maklan et al., 2017; Kranzbühler et al., 2018; Varnali, 2018; Hamilton & Price, 2019). The phygital combines the most significant elements of the digital and physical worlds to deliver a more positive customer experience (Klaus, 2021). As a result, the following hypotheses were suggested:

*H1: There is a significant influence of phygital marketing on customer experience.*

*H1a: There is a significant influence of physical marketing on customer experience.*

*H1b: There is a significant influence of digital marketing on customer experience.*



**Fig. 1: Conceptual/Research Model**

## Research Methodology

### *Data Collection and Sample*

The hospitality industry indelibly influences India's rich culture. The hotel business greatly influences India's excellent hospitality. Thus, it is clear that

the nation is highly skilled at providing a spectacular customer experience. The study focused only on Northern India because several large private chain hotels are based there. The study scope includes the states and UTs of J&K, Punjab, and Delhi NCR and the three largest private chain hotels in Northern India: ITC, Radisson, and Taj. Two groups of respondents, one from the hotel staff and the other from the hotel's guests, were used to gather the data. Managerial, executive, and supervisory hotel employees were questioned about the use of physical and digital marketing tools to enhance customer experiences, and the hotel guests were enquired about their customer experience at their hotels adding two different viewpoints to the study which indeed is magnifying the scope of the study. In contrast, guests were questioned about their interactions with these tools and the overall hotel experience. Data was collected by using both online and offline questionnaires. Out of the 350 questionnaires, a total of 302 responses were determined to be complete, and further data analysis was done using the responses obtained from these questionnaires.

### ***Research Instrument and Measures***

The research model for the present study was constructed using existing literature, and the measuring model was confirmed by discovering scales from previous studies. So far, there has been no empirical study on phygital marketing in the hospitality industry context. This paper has tried to integrate the scales based on the components of phygital marketing, physical and digital marketing, from existing literature. Measurement items were adapted for physical marketing from (Vernuccio et al., 2021; Rabinovich & Bailey, 2004; Brakus et al., 2009); for digital marketing from (Vernuccio et al., 2021; Kim & Ko, 2012; Carlson et al., 2018; De Pelsmacker et al., 2018; Khan & Jan, 2019); for customer experience from (Oh et al., 2007). The questionnaire's items were altered before data collection to reflect the nature of our research. Items on the final survey related to three constructs: physical marketing, digital marketing, and customer experience. The final structure questionnaire consists of 48 items: 12 to gauge customer experience and 36 to gauge physical and digital marketing. All of the research instrument's items were rated on a five-point Likert scale, with the first point denoting "strongly disagree" (1) and the last being "strongly agree" (5).

### ***Data Analysis and Results***

This empirical study was divided into two sections. In the first step, a pilot study was conducted to test the survey questions. In the second

step, information was gathered from 350 respondents, of whom 86% of questionnaires completed in all aspects were used for further research. The suggested model was assessed using a set three-step procedure. First, exploratory factor analysis with SPSS was carried out, and then confirmatory factor analysis as the measurement model. Finally, the structural equation modelling technique was used to investigate the hypothesis for the model evaluation. For the investigation of structural equation modelling in this study, AMOS 24 was employed.

### ***Measurement Model***

#### **Exploratory Factor Analysis (EFA)**

Exploratory factor analysis approaches were used to analyze the data; 36 items were recovered and consolidated into five components. For physical marketing, two elements were preserved, and three factors were retained for digital marketing. In this work, the Kaiser-Mayer-Olkin (KMO) and Bartlett's sphericity tests were performed to establish whether the sample size was sufficient for factor analysis. The sphericity test findings confirmed statistical significance ( $p = 0.000 < 0.05$ ) (Bartlett, 1954), and the KMO value of .926 demonstrated the data's statistical appropriateness (Kaiser, 1974). Using classic statistical procedures, low factor loadings and cross-loadings resulted in the deletion of a small number of items (Hair et al., 2010). As a result, the conclusions of the factor analysis demonstrate how appropriate the data were. Except for a few statements that were deleted to obtain more relevant results, all statements had factor loadings greater than 0.5 for the five found variables (Hair et al., 2006). In this study, the two dimensions described a total variation of 79.982%, which is larger than the normal value of the total variance in social science research of 60%. The final items of exploratory factor analysis with their standardized factor loadings are shown in Table 1.

#### **Confirmatory Factor Analysis (CFA)**

In this study, the two-step model method advocated by (Anderson & Gerbing 1988) was applied. This method focuses on examining a structural model after a measurement model. The measurement models were first put to the test. The latent components in the confirmatory factor analysis model were physical marketing, digital marketing, and customer experience. The

confirmatory factor analysis assists in interrogating the validity and reliability of the constructs.

**Table 1: Results from the Exploratory Factor Analysis (N 302)**

Phygital Marketing Attributes	Items	Dimensions Extracted	Factor Loadings	Mean	S.d
<b>Physical Marketing</b>	Print Advertising	<b>Promotional Tools</b>	.883	4.370	.735
	Public Relations and Publicity		.854	4.566	.707
	Direct marketing		.852	4.576	.706
	Sales Promotion		.933	4.626	.634
	Word of Mouth Marketing	<b>Communication Tools</b>	.939	4.493	.751
	Travel Agents/Travel Guides		.744	4.533	.751
	Hotel Brochures and Booklets		.606	4.570	.707
	Sponsorships Marketing		.574	4.253	.847
	Hotel Billboards		.930	4.293	.793
	Email Marketing		<b>Online Communication Tools</b>	.609	4.243
Social Media Marketing	.630	4.216		.897	
Mobile Marketing	.712	4.283		.893	
Website Marketing	.739	4.436		.766	
E-Word of Mouth or Viral Marketing	.766	4.333		.870	
Influencer Marketing	.755	4.406		.772	
Online Affiliate Marketing	.773	4.330		.822	
Search Engine Marketing	.751	4.380		.819	
E- News Letters	.753	4.356	.815		
<b>Digital Marketing</b>					

Phyigital Marketing Attributes	Items	Dimensions Extracted	Factor Loadings	Mean	S.d
	Online Public and Media Relations	<b>Online CRM Tools</b>	.888	4.233	.899
	Central Reservation System		.885	4.423	.787
	Online Sales Promotion		.898	4.423	.787
	Online Travel Portals		.908	4.250	.900
	Online Surveys		.881	4.340	.883
	Pay Per Click Advertising	<b>Online Advertising Tools</b>	.887	4.323	.864
	Online Display Advertising		.862	4.183	.897
	Pop up Advertising		.875	4.336	.875
	AdverGaming		.879	4.173	.875

PM: Physical marketing, DM: Digital marketing, CRM: Customer relationship management.

The various fitness indices were also tested to analyze the measurement model's goodness of fit and evaluate the model for assessment purposes (Byrne, 2001). To accept a model, the comparative fit index (CFI) and the non-normed fit index (NNFI) must have a minimum value of 0.90; the model fit must meet the minimum requirement of 0.95 to be deemed satisfactory (Byrne, 2001; Hair et al., 2006). An appropriate model fit is one with RMSEA values between 0.05 and 0.08. The results of the confirmatory factor analysis were not particularly satisfactory. Items with a value of less than 0.5, according to Fornell and Larcker (1981), should be eliminated since they do not evince features compatible with the corresponding measuring statements. Following the adjustment and elimination of items CE1, CE3, CE7, CE9, and CE11, the new confirmatory factor analysis shows "good model fit" ( $\chi^2/df = 1.832$ , CFI = 0.954, and RMSEA = 0.058).

Table 2 displays the regression weights from the confirmatory factor analysis. Table 4 demonstrates the average variance extracted, the composite reliability of each construct, and the squared multiple correlations that assessed the constructs' reliability and validity. The revised confirmatory factor analysis shows that all factor loadings are more significant than 0.5, proving the items' suitability for evaluating each of the relevant constructs (Bagozzi & Yi, 1988). For all of the study's constructs, the recommended Cronbach's alpha value of 0.7 was achieved. (Fornell & Larcker, 1981). Then, the measurement model's reliability and validity were evaluated.

### **Assessing Measurement Model Validity**

The threshold values of all the coefficients are greater than 0.7 (Nunnally & Bernstein, 1994) and all constructs have composite reliability scores better than 0.7. (Fornell & Bookstein, 1982) imply excellent levels of internal consistency and reliability. The correlations and square root of the average variance for discriminant validity are shown in Table 3. The model has discriminant validity (the square root of the average variance extracted from each construct is greater than the correlations with other constructs), as well as convergent validity (significant loadings, CR > 0.70, AVE > 0.50 for all components) (Fornell & Larcker, 1981; Bagozzi & Yi, 1988). According to Fornell and Larcker (1981), the average variance obtained during this experiment was greater than 0.5, indicating convergent validity. Anderson and Gerbing (1988) claimed that the confirmatory factor analysis result supports convergent validity because all of the item's factor loadings are significant at  $p < 0.05$ . Even if the value is greater than 0.60, the composite reliability of the three latent components in our investigation is greater than 0.80. According to Fornell and Larcker (1981), the extracted average variance must be more

**Table 2: Results from the Confirmatory Factor Analysis**

Phygital Marketing Attributes		Items	Dimensions Extracted	Cronbach A	Regression Weights		
<b>Physical Marketing</b>	PM2	Print Advertising	<b>Promotional Tools</b>	.902	.92		
	PM8	Public Relations and Publicity			.79		
	PM14	Direct marketing			.83		
	PM17	Sales Promotion			.99		
	PM3	Word of Mouth Marketing	<b>Communication Tools</b>	.924	.97		
	PM4	Travel Agents/Travel Guides			.70		
	PM7	Hotel Brochures and Booklets			.58		
	PM9	Sponsorships Marketing			.55		
	PM10	Hotel Billboards			.99		
	<b>Digital Marketing</b>	DM2			Email Marketing	<b>Online Communication Tools</b>	.924
DM3		Social Media Marketing			.77		
DM5		Mobile Marketing	.82				
DM7		Website Marketing	.84				
DM8		E-Word of Mouth/Viral Marketing	.78				
DM9		Influencer Marketing	.78				
DM10		Online Affiliate Marketing	.82				
DM13		Search Engine Marketing	.78				
DM14		E- News Letters	.81				

Phygital Marketing Attributes		Items	Dimensions Extracted	Cronbach A	Regression Weights		
<b>Customer Experience</b>	DM1	Online Public and Media Relations	<b>Online CRM Tools</b>	.924	.89		
	DM11	Central Reservation System			.98		
	DM15	Online Sales Promotion			.99		
	DM18	Online Travel Portals			.95		
	DM20	Online Surveys			.92		
	DM6	Pay Per Click Advertising			<b>Online Advertising Tools</b>	.902	.95
	DM16	Online Display Advertising	.91				
	DM17	Pop-up Advertising	.95				
	DM19	AdverGaming	.96				
	CE2	Activities at the hotel were amusing to watch and perform		.807			.69
	CE4	Activities at the hotel were captivating to watch and perform					.67
	CE5	Activities at the hotel were entertaining to watch and perform			.81		
CE6	It stimulated my curiosity to learn new things here	.94					
CE8	It was a real learning experience here	.46					
CE10	Just being here was very pleasant	.52					
CE12	The setting was very attractive in this hotel	.78					

PM: Physical marketing, DM: Digital marketing, CE: Customer experience, CRM: Customer relationship management.

than 0.5; however, 0.4 is acceptable. When the composite reliability exceeds zero, the extracted average variance must exceed the maximum shared variance. The square root of the extracted average variance should be bigger than the inter-construct correlations. The maximum reliability should be more than or equal to 0.8. The results show that the data has good convergent and discriminant validity.

The square root of the average variance recovered was compared to all inter-construct correlations to test the discriminant validity. The square root of the extracted average variance is greater than the rest of the inter-construct correlations, as shown on the diagonals. The diagonal values are 0.790, 0.738, and 0.719, respectively. The correlation value between the factors of physical marketing (PM) and digital marketing (DM) is 0.677, while the correlation value between DM and CE is 0.031. As the aforementioned characteristics satisfied the reliability, the model fit.

**Table 3: Validity and Reliability of Constructs**

	CR	AVE	MSV	MaxR(H)	Physical Marketing	Digital Marketing	Customer Experience
<b>Physical Marketing</b>	0.952	0.625	0.459	0.956	<b>0.790</b>		
<b>Digital Marketing</b>	0.877	0.545	0.459	0.880	0.677	<b>0.738</b>	
<b>Customer Experience</b>	0.834	0.517	0.006	0.925	0.075	0.031	<b>0.719</b>

CR = composite reliability; AVE = average variance extracted; MSV = maximum shared variance; MaxR(H) = maximum reliability.

### Hypotheses Testing

Using the structural equation modelling technique in (AMOS 24) that related the variables, the hypotheses (H1, H1a, and H1b) were tested. Structural equation modelling findings show that the model fit was quite good ( $\chi^2 / df = 2.782$ , CFI = 0.982, RMSEA = 0.072). All the variables in the study have strong and positive impacts on PHYMAR, PM, and DM on CE here, PHYMAR ( $p < 0.05$ ), PM ( $p < 0.05$ ), and DM ( $p < 0.05$ ). The results from Amos 24 indicated that H1, H1a, and H1b were all supported. The structural

equation modelling results revealed that the impact of phygital marketing on customer experience is highly significant.

**Table 4: Results of the Structural Model**

Hypothesis	Std. estimate	S.E.	C.R.	P	Results
H1: CE ← PHYMAR	.232	0.047	4.933	***	Supported
H1a: CE ← PM	.194	0.034	5.705	***	Supported
H1b: CE ← DM	.342	0.065	5.261	***	Supported

PM: Physical Marketing, DM: Digital Marketing, PHYMAR: Phygital Marketing, S.E: Standard error; C.R: Critical ratio; P: Probability value. (Note: \*\*\*P < 0.05 = statistically significant).

## Discussions

### *Theoretical Implications*

The primary theoretical contributions of this study are as follows: first, even though there have already been numerous studies on international chain hotels, this study has expanded on pertinent studies in the hospitality sector and empirically validated the significant relationship between phygital marketing and the customer experience in these hotels. Secondly, an instrument measuring phygital marketing was adapted by integrating existing physical and digital marketing scales based on previous literature. It was empirically tested for the first time in this study. Lastly, although existing research has recognized the significance of phygital marketing and customer experience, this study is the first one to analyze the impact of phygital marketing on customer experience in the hospitality industry. This study attempted to explore and validate the dimensions of phygital marketing and, consequently, justify phygital marketing as an important essential of customer experience.

### *Managerial Implications*

Managers have a more comprehensive and organized approach to improving their customer experiences thanks to adopting the phygital marketing and customer experience approach. This strategy will be particularly useful for combining physical and digital marketing tools, phygital consumer journeys, and memorable encounters involving several stakeholders. The PM-CX approach provides businesses guidelines for building a customer-centric

suitable relationship between phygital marketing and customer experiences. This study will guide the practitioners to understand the significant dimensions of phygital marketing and its impact on customer experience for major international chain hotels in Northern India. This study provides significant implications to elevate the application of the phygital marketing approach in the hospitality industry. It affirms to management that the phygital marketing approach is vital in enhancing the customer experience. It also suggests that hotel managers must integrate physical and digital marketing communication tools to enhance guest experiences.

### ***Limitations and Directions for Future Research***

This research has some limitations, notwithstanding the theoretical and managerial implications that were previously mentioned. Firstly, sample biases may exist due to the convenience sampling strategy employed to acquire the data. Due to privacy issues, all hotel staff members were unavailable since they were preoccupied with their jobs and hotel customers. As a result, the sample could not be more representative. Secondly, data were collected only from three major chain hotels in Northern India, limiting our findings' generalizability. Therefore, future studies should examine the proposed model in more diverse samples from various hotel chains in the sector to improve the generalizability of the results.

Even though this paper highlights the importance of phygital marketing. Despite its theoretical and practical applicability, the phygital marketing concept still needs to be fully understood. Additionally, additional research is required in the digital age to cope with tech-savvy and sentimental customers or those not looking to purchase items but seeking experiences. Future research should not focus on integrating phygital strategies merely as a component of a company's marketing system but rather as a holistic approach to the company's overall transformation strategy. Although there has been ample research on customer experience and phygital marketing in different sectors like retail, education, lifestyle, and fashion, etc. the relationship between phygital marketing and the customer experience in the hospitality sector has yet to be adequately investigated. This study suggests future research directions for a better conceptual understanding of phygital marketing and customer experience.

## **Conclusion**

The era of artificial intelligence has transformed every sphere of the industry making the notion of the phygital an epicentre of every industry. The paper extends our understanding of customer experience in phygital market settings by exploring and validating the dimensions of phygital marketing and customer experience. Although the origin of the phygital concept was in 2007 but has been in use in recent years by almost every industry, especially the service industries. Additionally, phygital marketing was discovered to be associated with customer experience directly. The study's findings suggest that the role of digital and physical integration should also be considered better to understand the relationship between phygital marketing and customer experience.

## **Disclosure Statement**

No potential conflict of interest was reported by the author(s).

## **Funding**

This work was not supported and funded by any organization/institution.

## **References**

- Ahn, J., & Back, K.-J. (2020). The structural effects of affective and cognitive elaboration in formation of customer-brand relationship. *Service Industries Journal*, 40(3-4), 226-242. doi:<https://doi.org/10.1080/02642069.2018.1460358>
- Akter, S., Hossain, T. M. T., & Strong, C. (2021). What omnichannel really means? *Journal of Strategic Marketing*, 29(7), 567-573. doi:<https://doi.org/10.1080/0965254x.2021.1937284>
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423. doi:<https://doi.org/10.1037/0033-2909.103.3.411>

- Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94. doi:<https://doi.org/10.1007/bf02723327>
- Baker, J., Bentley, K. & Lamb, C., Jr (2020). Service environment research opportunities. *Journal of Services Marketing*, 34(3), 335-346. doi:<https://doi.org/10.1108/jsm-02-2019-0077>
- Bartlett, M. S. (1954). A note on the multiplying factors for various  $\chi^2$  approximations. *Journal of the Royal Statistical Society*, 16(2), 296-298. doi:<https://doi.org/10.1111/j.2517-6161.1954.tb00174.x>
- Banik, S. (2021). Exploring the involvement-patronage link in the phygital retail experiences. *Journal of Retailing and Consumer Services*, 63(102739), 102739. doi:<https://doi.org/10.1016/j.jretconser.2021.102739>
- Batat, W. (2019a). *Digital luxury: Transforming brands and consumer experiences*. 1 Oliver's Yard, 55 City Road London EC1Y 1SP: SAGE Publications, Ltd.
- Batat, W. (2019b) *Experiential marketing: Consumer behavior, customer experience and the 7es*.
- Batat, W. (2021). How augmented reality (AR) is transforming the restaurant sector: Investigating the impact of 'Le Petit Chef' on customers' dining experiences. *Technological Forecasting and Social Change*, 172(121013), 121013. doi:<https://doi.org/10.1016/j.techfore.2021.121013>
- Batat, W. (2022). What does phygital really mean? A conceptual introduction to the phygital customer experience (PH-CX) framework. *Journal of Strategic Marketing*, 1-24. doi:<https://doi.org/10.1080/0965254x.2022.2059775>
- Bendoly, E., Blocher, J. D., Krishnan, S., & Bretthauer, K. M. (2005). Online/in-store integration and customer retention. *Journal of Service Research*, 7(4), 313-327. doi:<https://doi.org/10.1177/1094670504273964>

- Benghozi, P. J., Krob, D., & Rowe, F. (2013). *Digital enterprise design and management: Proceedings of the second International Conference on Digital Enterprise Design and Management DEDandM*. Springer Science and Business Media.
- Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, 73(3), 52-68. doi:<https://doi.org/10.1509/jmkg.73.3.52>
- Brun, I., Rajaobelina, L., Ricard, L., & Berthiaumeb, B. (2017). Impact of customer experience on loyalty: A multichannel examination. *Service Industries Journal*, 37(5-6), 317-340. doi:<https://doi.org/10.1080/02642069.2017.1322959>
- Bueno, E. V., Weber, T. B. B., Bomfim, E. L., & Kato, H. T. (2019). Measuring customer experience in service: A systematic review. *The Service Industries Journal*, 39(3), 1-20. doi:<https://doi.org/10.1080/02642069.2018.1561873>
- Byrne, B. M. (2001). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Psychology Press.
- Cao, L., & Li, L. (2015). The impact of cross-channel integration on retailers' sales growth. *Journal of Retailing*, 91(2), 198-216. doi:<https://doi.org/10.1016/j.jretai.2014.12.005>
- Carlson, J., Rahman, M., Voola, R., & Vries, N. D. (2018). Customer engagement behaviours in social media: Capturing innovation opportunities. *Journal of Services Marketing*, 32(1), 83-94. doi:<https://doi.org/10.1108/jsm-02-2017-0059>
- De Pelsmacker, P., van Tilburg, S., & Holthof, C. (2018). Digital marketing strategies, online reviews and hotel performance. *International Journal of Hospitality Management*, 72, 47-55. doi:<https://doi.org/10.1016/j.ijhm.2018.01.003>
- Dresch, A., Lacerda, D. P., & Antunes, J. A. V., Jr (2015). *Design science research: A method for science and technology advancement*. Cham: Springer International Publishing.

- Fornell, C., & Bookstein, F. L. (1982). Two structural equation models: LISREL and PLS applied to consumer exit-voice theory. *Journal of Marketing Research*, 19(4), 440-452.
- Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *JMR, Journal of Marketing Research*, 18(3), 382. doi:<https://doi.org/10.2307/3150980>
- Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis* (6th ed.). New Jersey: Pearson Prentice Hall.
- Hair, J. F. (2011). *Multivariate data analysis: An overview* (pp. 904-907). International Encyclopedia of Statistical Science.
- Hamilton, R., & Price, L. L. (2019). Consumer journeys: Developing consumer-based strategy. *Journal of the Academy of Marketing Science*, 47(2), 187-191. doi:<https://doi.org/10.1007/s11747-019-00636-y>
- Herhausen, D., Binder, J., Schoegel, M., & Hermann, A. (2015). Integrating bricks with clicks: Retailer-level and channel-level outcomes of online–offline channel integration. *Journal of Retailing*, 91(2), 309-325. doi:<https://doi.org/10.1016/j.jretai.2014.12.009>
- Hevner, A., Alan, R., March, S. T., & Salvatore, T. (2004). Design science in information systems research. *MIS Quarterly: Management Information Systems*, 28(1), 75. doi:<https://doi.org/10.2307/25148625>
- Hwang, Y., Lee, Y., & Shin, D.-H. (2016). The role of goal awareness and information technology self-efficacy on job satisfaction of healthcare system users. *Behaviour & Information Technology*, 35(7), 548-558. doi:<https://doi.org/10.1080/0144929x.2016.1171396>.
- Indumathi, R. (2018). Influence of digital marketing on brand building. *International Journal of Mechanical Engineering and Technology (IJMET)*, 9(7), 235-243.
- Jaworski, B. J. (2018). Reflections on the journey to be customer-oriented and solutions-Led. *AMS Review*, 8(1-2), 75-79. doi:<https://doi.org/10.1007/s13162-018-0117-z>

- Johnson, M., & Barlow, R. (2021). Defining the phygital marketing advantage. *Journal of Theoretical and Applied Electronic Commerce Research*, 16(6), 2365-2385. doi:<https://doi.org/10.3390/jtaer16060130>
- Kaiser, H. F. (1974). An index of factorial simplicity. *Psychometrika*, 39(1), 31-36. doi:<https://doi.org/10.1007/bf02291575>
- Kajekar, A. (2018). *2018 will be the year of Phygital experiences*. Retrieved from <https://yourstory.com/mystory/8e8bb204ea-2018-will-be-the-year/amp>
- Khan, M. F., & Jan, A. (2019). A measure of social media marketing: Scale development and validation. *Jindal Journal of Business Research*, 8(2), 158-168. doi:<https://doi.org/10.1177/2278682119850285>
- Kim, A. J., & Ko, E. (2012). Do social media marketing activities enhance customer equity? An empirical study of luxury fashion brand. *Journal of Business Research*, 65(10), 1480-1486. doi:<https://doi.org/10.1016/j.jbusres.2011.10.014>
- Klaus, P., & Nguyen, B. (2013). Exploring the role of the online customer experience in firms' multi-channel strategy: An empirical analysis of the retail banking services sector. *Journal of Strategic Marketing*, 21(5), 429-442. doi:<https://doi.org/10.1080/0965254x.2013.801610>
- Klaus, P. (2021). *Viewpoint: Phygital – The emperor's new clothes?* *Journal of Strategic Marketing*, 1-8. doi:<https://doi.org/10.1080/0965254x.2021.1976252>
- Kranzbühler, A.-M., Kleijnen, M. H. P., Morgan, R. E., & Teerling, M. (2018). The multilevel nature of customer experience research: An integrative review and research agenda: Customer experience research. *International Journal of Management Reviews*, 20(2), 433-456. doi:<https://doi.org/10.1111/ijmr.12140>
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69-96. doi:<https://doi.org/10.1509/jm.15.0420>

- Li, Y., Liu, H., Lim, E. T. M., Goh, J. M., Yang, F., & Lee, M. K. O. (2018). Customer's reaction to cross-channel integration in omnichannel retailing: The mediating roles of retailer uncertainty, identity attractiveness, and switching costs. *Decision Support Systems, 109*, 50-60. doi:<https://doi.org/10.1016/j.dss.2017.12.010>
- Maklan, S., Antonetti, P., & Whitty, S. (2017). A better way to manage customer experience: Lessons from the Royal Bank of Scotland. *California Management Review, 59*(2), 92-115. doi:<https://doi.org/10.1177/0008125617695285>
- Mbaabu, M. K. (2020). *Phygital banking and customer experience in commercial banks in Kenya* (Doctoral dissertation).
- Nunnally, J. C., & Bernstein, I. H. (1994). The assessment of reliability. *Psychometric Theory, 3*, 248-292.
- Pangarkar, A., Arora, V., & Shukla, Y. (2022). Exploring phygital omnichannel luxury retailing for immersive customer experience: The role of rapport and social engagement. *Journal of Retailing and Consumer Services, 68*(103001), 103001. doi:<https://doi.org/10.1016/j.jretconser.2022.103001>
- Poushneh, A., & Vasquez-Parraga, A. Z. (2018). The role of customer readiness and participation in non-technology-based service delivery. *The Journal of Consumer Marketing, 35*(6), 588-600. doi:<https://doi.org/10.1108/jcm-11-2016-2006>
- Rabinovich, E., & Bailey, J. P. (2004). Physical distribution service quality in Internet retailing: Service pricing, transaction attributes, and firm attributes. *Journal of Operations Management, 21*(6), 651-672. doi:<https://doi.org/10.1016/j.jom.2003.11.004>
- Rigby, D. (2011). The future of shopping. *Harvard Business Review, 89*(12), 65-76.
- Rossi, P., & Krey, N. (2017). Marketing transformation: Marketing practice in an ever changing world. In *Proceedings of the 2017 Academy of Marketing Science*. Springer.
- Seck, A. M., & Philippe, J. (2013). Service encounter in multi-channel distribution context: Virtual and face-to-face interactions and

consumer satisfaction. *Service Industries Journal*, 33(6), 565-579. doi:<https://doi.org/10.1080/02642069.2011.622370>

- Shandilya, G., & Srivastava, P. (2023). Analysing moderating effects of demographic variables on customer satisfaction: A study of quick service restaurant. *Atna-Journal of Tourism Studies*, 18(1), 51-88.
- Shandilya, G., Dubey, A., & Srivastava, P. (2023). Enhancing customer satisfaction in fast food: A novel approach integrating SEM and ANN for relationship marketing analysis. *Parikalpana: KIIT Journal of Management*, 19(2), 142.
- Shobeiri, S., Mazaheri, E., & Laroche, M. (2014). Improving customer website involvement through experiential marketing. *Service Industries Journal*, 34(11), 885-900. doi:<https://doi.org/10.1080/02642069.2014.915953>
- Srivastava, P. (2023). Tech-driven dining: How ICT innovations can help achieve sustainable development goals. In V. Nadda, P. K. Tyagi, R. M. Vieira et al. (Eds.), *Sustainable Development Goal Advancement through Digital Innovation in the Service Sector* (pp. 57-63). Hershey PA, USA: IGI Global.
- Srivastava, P., Srivastava, S., & Mishra, N. (2023). Impact of e-servicescape on hotel booking intention: Examining the moderating role of COVID-19. *Consumer Behavior in Tourism and Hospitality*, 18(3), 422-437.
- Sun, Y., & Rogers, R. (2021). Development and validation of the Online Learning Self-efficacy Scale (OLSS): A structural equation modeling approach. *The American Journal of Distance Education*, 35(3), 184-199. doi:<https://doi.org/10.1080/08923647.2020.1831357>
- Tuan, N. M. (2022). Customer readiness–customer participation link in e-services. *Service Industries Journal*, 42(9-10), 738-769. doi:<https://doi.org/10.1080/02642069.2021.1946517>
- Varnali, K. (2019). Understanding customer journey from the lenses of complexity theory. *Service Industries Journal*, 39(11-12), 820-835. doi:<https://doi.org/10.1080/02642069.2018.1445725>

- Vernuccio, M., Cesareo, L., Pastore, A., & Kitchen, P. J. (2022). Managerial and organizational perspectives on online–offline integration within integrated marketing communication: Towards a holistic conceptual framework. *International Journal of Advertising*, 41(3), 519-540. doi:<https://doi.org/10.1080/02650487.2021.1897432>
- Vernuccio, M., & Ceccotti, F. (2015). Strategic and organisational challenges in the integrated marketing communication paradigm shift: A holistic vision. *European Management Journal*, 33(6), 438-449. doi:<https://doi.org/10.1016/j.emj.2015.09.001>
- Wided, B. (2022) *Strategies for the digital customer experience: Connecting customers with brands in the phygital age*. Edward Elgar Publishing.
- Winer, R. S. (2009). New communications approaches in marketing: Issues and research directions. *Journal of Interactive Marketing*, 23(2), 108-117. doi:<https://doi.org/10.1016/j.intmar.2009.02.004>
- Wu, L.-L., & Lin, J.-Y. (2006). The quality of consumers' decision-making in the environment of e-commerce. *Psychology & Marketing*, 23(4), 297-311. doi:<https://doi.org/10.1002/mar.20112>