Bridging the gap
Sandra Ljungström and Frida Spångberg

- A feasibility study of a public showroom
Acknowledgements
The past weeks have been dedicated to researching for and writing this thesis. The inspiration for the research area emerged through a potential business concept, and we decided to take this opportunity in order to find out whether the idea would be solid enough to proceed with in the near future. It has been interesting to get more in-depth knowledge within the area, in order to better understand how a public showroom can be implemented in the best possible way. We have definitely encountered both success and setbacks, but overall, we are satisfied with the outcome.

We would like to thank the students at the Swedish School of Textiles who participated in the survey regarding online shopping behavior. Also, thank you Martina Lövgren at Bubbleroom and Robert Beckerman at Ellos for taking your time to provide us with relevant information about your companies’.

Furthermore, we would like to thank our friends and families who have encouraged and supported us.

Sandra Ljungström
S083132@student.hb.se

Frida Spångberg
S083970@student.hb.se

2013-06-03
Abstract

Purpose: To examine whether there is an interest in a public showroom for Swedish consumers and fashion e-retailers and how it could benefit them.

Design/methodology/approach: Qualitative interviews with two Swedish fashion e-retailers were conducted in order to understand if there was an interest in a public showroom amongst the chosen companies. A survey with 200 participants was carried out with students from the Swedish School of Textiles, to get an understanding of their e-shopping behavior.

Findings: It was found that there is an interest in implementing a public showroom. According to the survey results, a majority were in favor of trying on a product before purchasing it. The fashion e-retailers that were interviewed thought that it would be of interest if it would function more as a temporary pop-up solution.

Practical implications: The findings are of relevance for fashion e-retailers that are potentially interested in an additional marketing and communication channel for their internal brands.

Originality/value: As there was no research regarding Swedish fashion e-retailers attitude towards a public showroom, this thesis contributes with new findings to the academics. Furthermore, it can be used as a guideline to fashion e-retailers in the event of opening of a public showroom.

Keywords: Public showroom, e-retailing, brand management, pop-up stores, multi-channel
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1 Introduction

This opening chapter includes relevant information within the chosen area of research in order to give the reader a thorough review of the context and subsequent chapters.

1.1 Background

In 2011, the turnover for apparel and shoes purchased online in Sweden was six billion SEK. Furthermore, the future prospects for e-commerce are positive and it was estimated that the total turnover in 2012 would reach 31.3 billion SEK. Given the positive figures and continuous growth, there is a great optimism amongst the e-retailers (e-barometern, 2012). Findings from a survey conducted by Ipsos-Reid strengthen the fact that Swedish customers are at the forefront regarding usage of Internet and shopping online. 10 000 people aged 12-24 in 16 countries were questioned, and Sweden accounted for a total of 41 percent of those who purchase online. Only USA showed higher figures, with 43 percent (Ige, 2004). Another study fortifies the claim that Swedish consumers are at the forefront of technology. The study was conducted in four countries, and showed that 76 percent of Swedish consumers own at least three devices per person with accessibility to the Internet. Again, the only nation with a more widespread possession of technological devices was USA (Ige, 2004).

PricewaterhouseCoopers (PwC, 2012) further indicates the positive prospects for a continued expansion of e-commerce in Sweden, given the success of technological gadgets. According to PwC (2011) the economic crisis led to a shift in Swedish consumer behavior, by what is defined as pre-trading. This concept involved more information searching, price comparisons and browsing blogs, in an effort to be fully prepared for an upcoming purchase. However, as the economic situation improved, the consumers’ new attitude did not shift back to its initial position. It has rather become more noticeable. Griffiths and Howard (2008) support this by stating that the digital revolution favors consumers over retailers as they can easily compare products and prices online. With that said, there has been a radical change in the value chain from manufacturer to end consumer. Despite the continuous growth and popularity of buying online there are still issues of uncertainty and mistrust. McCormick and Levitt (2012) imply that the use of styling advice would possibly enhance the shopping experience.

Online shopping and online buying are not to be mixed up; Ige (2004) distinguishes the differences where online shopping is defined as browsing a website, while online buying is the term for actually making a purchase through the Internet. By differentiating these terms a variety of shopping alternatives can be derived: SIBO (shop in-store, buy online), SOBO (shop online, buy online), SIBI (shop in-store, buy-in-store and SOBI (shop online, buy in-store). This creates a multi-channel approach, and indicates that different products have different needs. Thus, not all products are suitable for solely being sold online (Ige, 2004; PwC, 2012). Kim and Park (2005) also support the use of a multi-channel approach, as using both online and offline approaches would supposedly create a synergy effect and enhance the customers shopping experience.

It is evident that consumers who refrain from purchasing apparel online do so mainly due to the fact that they need tangible product information, i.e. they cannot touch and try the clothes (Fiore and Jin, 2003; Griffiths and Howard, 2008; Hjort, 2013b; Ige, 2004; Kim and Park, 2005; Park and Stoel, 2002). McCormick and Levitt (2012) also support this statement and further stress that fashion clothing shoppers are highly stimulated by senses, meaning that there is nothing that can replace a physical store experience. However, there are a few online retailers (e.g. Lands’ End and Sure Fit Slipcovers) that send fabric swatches of the products to their consumers, in order to provide the desired sensory information (Fiore and Jin, 2003). For fashion e-retailers to prove their success...
amongst their audience it is needed that they implement features that allows for more interaction with the products. Furthermore, Ha and Stoel (2012) mean that an atmospheric/experimental dimension is needed when buying fashion online. Griffiths and Howard (2008) further develop this statement by suggesting that store perception and shopping environment can positively correlate to consumers purchase decisions. Huarng and Christopher (2003) divide the consumer buying decision process into: need recognition, information search, information evaluation, purchase decision and post-purchase behavior. The importance of information search and information evaluation is already acquainted by e-retailers and well-implemented on their websites. This is motivated by the fact that companies provide a search engine, detailed product information and endorsement links. Watchravesringkan and Shim (2003) support this statement, and report that information search is the most significant variable related to the purchase intention of apparel online. This is consistent with Findahl’s report (2012), in which he states that 89 percent of the Swedish consumers use the Internet to search for product information. Consumers have a high demand of being provided with exceptional product information, due to the prevalence of the Internet. The challenge faced by e-retailers is transforming the information searchers into actual purchasers. As the traditional way of shopping is through physical stores where one can see, feel and test the products, it is hard for the e-customers to achieve trust in the virtual world (Ige, 2004). A limitation to Huarng’s and Christopher’s study (2003) is the fact that they have not examined the concern that lies between the two latter factors; the physical gap between e-retailers and its customers. Adding a process of product trial between information search and information evaluation would possibly ease the purchase.

In a report by PwC (2012), challenges and opportunities that the Swedish retail market are facing are presented. One of the challenges mentioned by Jan von Zweigbergk, the area manager for Retail and Consumer at PwC, is how the property owners can earn lease money on their properties if shopping malls in the future would be replaced by showrooms. In 2012 the British interior design company Made.com opened a physical showroom for the public in London. The showroom consists of miniature 3D printed models of furniture and lighting with QR codes attached. The miniature furniture are arranged as studio shoots to get a feeling of the products’ use, and the QR codes can be scanned in order to get more information about each product. Also, customers can bring home postcards of the furniture and different fabric samples. “Ning Li, founder and CEO of Made.com says that the showroom should be used to improve the online retail experience and ‘work as a convergence of online and offline retail.’” In September 2009 H&M opened a showroom nearby their flagship store in Stockholm. The showroom was filled with the new H&M Home collection and was displayed like an exhibition where customers could browse around to experience the products and the concept. The products could be ordered and purchased there and then, and were picked from the stockroom by the staff. The collection was swapped every three months (Nyhlin, 2009). The e-commerce blog Get Elastic says that even though the online retailing has increased and are seriously competing with brick and mortar shopping, it still lacks certain values that a physical store has like tactility, instant delivery of products and social interaction. A way for online retailers to be innovative in competing with physical stores is by using so called pop-up stores. This is a good way of bridging the gap between the online and offline experience. They are often a cheaper alternative to permanent stores and are a good seasonal distribution channel around holidays like Halloween and Christmas. Also, pop-up stores enable larger displays for the consumers rather than small screen websites and applications, and they can combine human customer service with the knowledge received from the online retailer. Pop-ups are a good way for brands to promote themselves locally. Also, special events can add excitement to this mobile marketing, particularly when combined with specific offers (Bustos, 2013).
1.2 Problem statement

For consumers, fashion brands reflect preference, needs and desire. Furthermore, fashion brands have the highest magnitude of equity compared to other product categories (Kim, 2012). As mentioned in the background customers are reluctant to purchase apparel online due to the fact that they cannot physically touch, feel and try the product in advance. This issue could be solved by offering consumers an opportunity to visually experience the product through a public showroom. The public showroom would act as an intermediary between fashion e-retailers and its consumers. Fashion e-retailers would be able to selectively display products they find hard to justify online, and customers would be given the opportunity to touch and feel the products before making a purchase decision. Thus, the customers skeptical towards purchasing online might change their minds and become more open-minded. This would hopefully reduce the return rate and provide higher customer satisfaction as they know what they get and can feel more confident with their purchase. “Yoh et al. (2003, p. 1113), supports this by suggesting that ‘An increase of trialability and observability achieved through hands-on and visual experiences may positively contribute to consumers’ intention formation related to Internet apparel shopping.’” Ross and Harradine (2011) mean that a retailer’s success relies much on customers’ positive associations which eventually encourage trial and loyalty.

There are other important factors to consider when using the Internet as a distribution channel for sales. Since there is no person-to-person interaction, customers highly value other services. Long and McMellon (2004) imply that unmet consumer expectations on the Internet could lead to lower customer satisfaction, which could ultimately affect sales. They furthermore describe a responsiveness gap that calls for more interaction between e-retailers and consumers. The authors are aware of the fact that simply implementing a public showroom in an effort to increase customer satisfaction and loyalty towards e-retailers would not be sufficient. It is also required that the people working in the showroom possess adequate information about the products to be able to provide customers with this service. Ha and Stoel (2012) support the fact that customer service is directly linked to loyalty. By bringing a fashion e-retailer to a real life platform where customers can actually browse through the assortment, would presumably increase the brand image. However, the authors do not imply that customers will automatically develop a positive feeling for the brand only by showcasing it physically.

Hjort (2013a) conducted a case study on Swedish fashion e-retailer Nelly.com, in which he gathered information about why customers return their products. 40 percent of the Swedish customers reported that the product did not measure the expected quality, and thus this was the most frequent reason for returns. The second most given return reason (33 percent) was that the size did not correspond to the expectations. These findings indicate that there is a need for an intermediary between fashion e-retailers and consumers. The authors propose that an additional advantage of a showroom would be decreased return rates, since consumers are able to handle the products physically before initiating a potential purchase. Thus, a more accurate decision can be made whether to buy the product or not.

1.3 Research questions

The background presented the issues of purchasing apparel online. Based on the already existing knowledge within this area, the authors imply that there is an unmet gap between fashion e-retailers and consumers. The authors seek to explore whether there are any tendencies amongst fashion e-retailers and consumers that would indicate an interest towards a public showroom. Therefore following research questions have been formulated.
RQ 1: What is the potential for developing a public showroom that would function as a liaison between fashion e-retailers and their customers?

RQ 2: How could fashion e-retailers benefit from displaying their products in a public showroom?

1.4 Purpose
To examine whether there is an interest in a public showroom for Swedish consumers and fashion e-retailers and how it could benefit them. This feasibility study will be the basis for a potential implementation of a public showroom as a business concept.

1.5 Delimitations
The chosen area of research is within fashion e-retailing, and primarily focuses on fashion e-retailers acting on the Swedish market. A development of a public showroom would involve several processes, including logistics (i.e. transportation and delivery of goods). However, issues regarding logistics will not be treated in this report. The main reason for excluding this is due to the fact that this research aims to find out whether there is any interest amongst fashion e-retailers in making use of a public showroom. If the results show that there is no such interest, research regarding logistics would be redundant. However, if the outcome is positive, further research should be made to further develop the logistics processes.

1.6 Definitions
The words customer and consumer are used alternately throughout the thesis, and refers to the person who purchases the product. This person could be, but is not necessarily the one who eventually makes use of the product.

E-retailing is the term used for selling retail goods over the Internet. It is a subset of e-commerce, which is the master domain of e-retailing operations. E-retailers can be pure play or derived from existing physical retailers (Pirakatheeswari, 2010).

“Following definition clarifies the concept of a showroom: ‘a room where merchandise is exhibited for sale or where samples are displayed.’ (Merriam-Webster, n.d.)”. In this context a public showroom will only represent companies’ internal brands. The showroom will not function as an additional sales channel per se, but rather as a communication channel. However, as the aim is to increase customers’ willingness to purchase, the possibility of buying directly from the showroom will be provided. This will be made possible through for instance computers or tablets, directing the customer to the e-retailers website. The idea for this business concept is that a company should be able to lease space in a public showroom; it is thereafter up to the company to decide displays and to create an experimental atmosphere.
1.7 Structure of the thesis
The structure of the thesis will henceforth be disposed like following:

2 Theoretical framework

The theoretical framework is divided into two areas; the interconnection of branding and marketing, and e-retailing. The first topic was chosen as the authors wanted to understand the importance and relevance of a brand. The second topic was chosen to look further into the e-retail landscape, and to get a better understanding of how customers perceive online shopping.

2.1 The interconnection of branding and marketing

2.1.1 Brand management

The economic recession coined the definition of pre-trading, mentioned in the background. Along with the accessibility of information through the Internet, there has been a shift of control where consumers have more power than ever before. There is much more interaction between brands and their consumers, as well as information and experience exchange amongst the consumers internally (Fisher-Buttinger and Vallaster, 2008). This digital revolution has increased significantly in importance and extent, which has resulted in considerable differences in terms of communication. During the emergence of the Internet boom, retailers had to create their website content with a push approach to attract customers. However, the situation today is much different, as consumers actively participate and interact with brands online. Whether this is to be viewed as an opportunity or threat is up to the retailers, depending on which media tools they use to communicate and how it is implemented (Griffiths and Howard, 2008). It is therefore crucial for brands to live up to their promises, as there is a big risk that any empty claims, misbehaviors and inconsistencies will be shared with many others and consequently damage the brand equity (Fisher-Buttinger and Vallaster, 2008). This is strengthened by
Ind (2003) who claims that once trust is broken, it might never be repaired. “Kim (2012, p. 420) defines a brand as ‘an entity which is a set of functional and experiential features with a promise of a value reward relevant to customers, and an economical return to its producer through the brand equity.’” For a brand to acquire a successful relationship with its customers it must be consistent in terms of ethics, values and behaviors. In a world where new brands constantly emerge, it is of high importance to gain trust from your consumers. A lack of trust forces the brand to return to its core in an attempt to rebuild consumers’ trust, otherwise it will not be able to operate and survive. When rebuilding trust it must be acknowledged that it cannot be done simply through advertising or other ways of image creation. The brand needs to be lived inside out, meaning that the brand values need to be deeply rooted into all actions and decisions made by the company (Fisher-Buttinger and Vallaster, 2008). One of the key drivers in building brand equity is aligning the brand promise with the actual brand experience. To ultimately make the brand more trustworthy, authentic and credible, the misalignment between elements that define the brand and elements that deliver the brand needs to be identified and eliminated (Fisher-Buttinger and Vallaster, 2008).

Brand identity reflects the sender, i.e. the company, with the purpose of specifying a brand’s meaning, aim and self-image (Kapferer, 2004). Ross and Harradine (2011) further describe brand identity as a reference point for consumers, functioning as a foundation of creating and maintaining customer relationships with those who find specific values appealing. How brand identity is perceived and interpreted by the sender, i.e. the consumers, is called brand image. Most often, firms lay huge emphasis and large amounts of money on measuring image. However, when looking at brand management it is important to underline that identity precedes image. Before a company sets clear aims for its brand identity, it must be aware of and try to avoid potential communication glitches. There are three situations that are fairly common:

1. If a company is unsure about what their brand stands for, it chooses to focus on imitating its competitors regarding both values and marketing communication.
2. Some companies try too hard to please every individual customer, although this is quite impossible since everyone has different preferences. By doing this, companies engage in all ongoing social and cultural fads. This eventually results in a brand with a shiny façade but with no meaningful substance.
3. The last issue is where a company creates a fantasized identity, meaning that the brand identity is portrayed as people would ideally like it, when the truth shows that it is actually not.

Evidently, companies should not refrain from adapting to market evolutions and socio-cultural changes. The bottom line is simply that they should not be too obsessed with image, as it could possibly put too much focus on appearance instead of the actual essence of the brand. Thereby, brands will gain independence and define its area of expertise, potential and legitimacy (Kapferer, 2004). This statement is strengthened by Ross and Harradine (2011) who claim that in general, managers have a more favorable picture of their brands in contrast to their customers. Thereby, the brand identity and brand image might be inconsistent. However, if companies succeed in achieving a strong brand identity, it can increase trustworthiness with customers and become a differentiating factor from competitors.

The continuous escalation of brands on the competitive market and the constant technological development, forces companies to acquire business strategies with greater focus on retaining customers (Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2004). For a brand to be successful it needs to have well thought out and clear core values, which all employees and internal stakeholders can easily relate to (Fisher-Buttinger and Vallaster, 2008; Ind, 2003). To communicate this towards
consumers, the core values need to be compact, powerful and straightforward. A brand can and should never rely on its customers to invest time and effort to getting to know the complex brand construct. The brand principles (core values) of a brand may comprise of attributes, functional benefits, intended emotional benefits and values. Attributes are the actual features and characteristics of the product or service offered, whilst functional benefits stand for the added value given from specific attributes. Interacting with a company’s product or services generates emotions amongst consumers. This emotional reaction that a company strives to achieve from their customers when interacting with their products or services is called intended emotional experience. However, these emotions tend to be short lived and limited to the actual moment of experience. By experiencing repeated emotions over time consumers may come to develop a meaningful relationship with the brand; provided that the emotions are reasonably consistent over time. When customers continuously encounter consistent emotional experience, they might transform their short lived emotions into more stable ones; thus called values. This represents the top of the pyramid (see figure 1) and optimally what companies should strive to achieve when communicating their brands towards their consumers (Fisher-Buttinger and Vallaster, 2008).

Figure 1 Hierarchy of brand principles (adapted from Fishinger-Buttinger and Vallaster, 2008)

Brand awareness and equity relate to one another, as they both involve creating and adding value through customers’ perceptions. This is based on associations to the brand name. The awareness of a brand lies in its ability to entrenched its features in the long term memory of consumers. It is therefore argued that a fashion brand experience relies on the cognitive dimension. National brands most often generate positive emotions among consumers, and since familiarity elicits positive feelings consumers most often choose familiar brands over new entrants. Not surprisingly, focusing on positive feelings and reducing the negative is a central approach when positioning the product in relation to consumption feelings (Kim, 2012). “Successful fashion brands manage to ‘evolve emotions and opinions, speak to consumers’ hopes, and seek to lessen their fears.’ (Ibid., 2012, p. 424)” Ellwood (2002) means that there is a strong underlying cognitive value amongst all successful brands; this is what creates and retains satisfied customers. Brand managers must in turn be able to recognize what the cognitive added value is in order to leverage the brand personality. However, there are several
issues related to this. For instance the shifting marketing environment and competitive brand personalities can decrease the core brand values. Furthermore, as a brand reaches the maturity phase the original core values might fade and be replaced by secondary values; which do not concur entirely with the customers’ core needs. Thus, the cognitive dimension is the consumer needs without being deflected by marketing norms or market driven solutions. Unfortunately, too many brands miss out on what is truly their core cognitive value by making assumptions about consumers or the market conditions, opposed to being driven by real consumer needs and desires. “To summarize the essence of cognitive brand dimensions, Ellwood (2002) states that ‘the world wants water not taps, the world wants warmth not a heater.’” Four cognitive dimensions have been distinguished in order to succeed. Some of the largest brands are able to master several of them, but it is recommended to start with one category at a time. This goes particularly for new brands, which primarily needs to reach a critical mass in the mind of the consumers. “The strategic cognitive dimensions are the following:

1. Brand weight, the dominance of a brand in a market, e.g. Microsoft.
2. Brand length, the ability of a brand to diversify across business categories, e.g. Disney.
3. Brand power, the loyalty of the consumer group, e.g. Apple.
4. Brand breadth, the appeal of the brand across consumer groups, e.g. Coca-Cola.’ (Ibid., 2002, pp. 149-150)"

A consumer’s journey from initial contact with a brand, leading to purchase and eventually loyalty can be described by the loyalty pathway. When moving upwards the loyalty pathway customers’ engagement increase, they get to know the brand better, and their willingness to purchase increases. By customizing an engagement program for brands, companies can try to adapt to the different phases of the loyalty pathway. Even though a well thought out customer engagement program could facilitate a customer’s move to the next phase upwards, it must be acknowledged that customers can also take a step downwards on the loyalty pathway. Reasons for this could be that they were unsatisfied with the product quality or company interaction, or perhaps due to a new product launch of a competitor. Since customers are able to move upwards as well as downwards on the loyalty pathway, continuous engagement from the company is vital (Fisher-Buttinger and Vallaster, 2008).
2.1.2 Relationship marketing

The marketing mix consisting of the four P’s (product, price, place and promotion) is a widely used tool for marketers to influence demand. This type of traditional marketing has kept focus on consumer behavior, and how consumer choices can be affected. However, since there is a myriad of brands constantly trying to win consumers trust, there has been a shift in focus of marketing. From initially trying to conquer clients, the aim is now to retain them (Kapferer, 2004). Shihtse Wang (2010) supports the fact that customer retention is essential in order to achieve e-retail success. This concept is defined by the term relationship marketing, in which the goal is to build long term relationships as well as working on post-purchase activities. It is further characterized by classifying how consumers relate and engage with brands, and how companies choose to interact with their customers in addition to just selling a product or service (Kapferer, 2004). Griffiths and Howard (2008) agree and suggest that companies should pay more attention to marketing with a relationship based approach, instead of merely focusing on product marketing. The traditional way of marketing with the main focus of communicating to customers, has thus been replaced by communicating with customers. By understanding how and where to communicate with customers, retailers can increase their chances of exposing products and services that are most suitable to them (Griffiths and Howard, 2008). Another reason why retailers should pay attention to keeping their customers loyal is the fact that recurrent customers can be up to five times more profitable compared to new customers. Thus, there has been an increase in trying to predict behavioral intentions of online consumers (Shih-Tse Wang, 2010; Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2004). Another interesting finding from Shi-Tse Wang (2010) is that there is a difference in the relationship between satisfaction and repurchasing behavior; this connection is stronger amongst males than females.

“Relationship marketing can be defined as ‘that which refers to all marketing activities directed at establishing, developing and maintaining successful relational exchanges.’” (Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2004, pp. 425-426)” With that being said, relationship marketing can create value for customers which in turn can generate in sustainable competitive advantages for companies. What needs to be acknowledged is that when implementing a relationship marketing strategy, the value created for the customer must be higher than simply the value derived from a transaction of products at a given time. In the process of establishing a relationship with customers, companies make promises. Obviously, these promises must be kept in order to maintain customers trust. Furthermore, new promises need to be established in order to expand the relationship. Focusing on continuously nurturing the relationship with customers may result in several advantages: increased confidence of the company, reduced risk, economic advantages, more efficient purchase decision process, social benefits and adaptability. There are two primary categories of benefits that consumers seek; functional and social. Functional benefits include time savings, convenience and making the best purchase decision while social benefits stand for the pleasure and comfort in the relationship (e.g. enjoying the company and relationship of an employee). Hence, if a company manages to establish lasting relationships with its customers, there is a good chance of improving the efficiency of the purchase decision process (i.e. the functional benefits). Furthermore, the social benefits will be covered through satisfying the human basic need of feeling belonging and familiarity. It can be assumed that the benefits provided through this relationship building have a positive impact on customers’ behavior and attitude towards the company (Ibid., 2004).

Implementing relationship marketing as a strategy encourages higher customer loyalty, thereby making it more difficult for competitors to access the customers. However, although it seems mainly positive, there are some negative consequences related to relationship marketing. When engaging customers and leading them into long term relationships they become more difficult to satisfy, as they
are more discerning and tend to be more sensitive to failure of customer service. Moreover, companies must identify the customers who value a stable relationship, and further decide whether they are profitable or not. With that being said, a company needs to take two aspects into consideration regarding profitability; its products and its customers. Thus, customer relationships need to be maintained and managed in a way that ensures that the income from the relationships exceeds the costs. By evaluating customers’ expectations and what they value, companies can achieve authentic value creation which eventually could lead to loyalty. Most often a customer expects more than simply receiving the delivery of the core service. These additional benefits can be provided by interacting interpersonally with value creators (i.e. company employees), allowing social ties to be established between the company and its customers. The stronger the social ties are, the more difficult it is for the customer psychologically to break the connection with the company and choose another brand. The company that succeeds in finding the perfect balance also understands that interpersonal relationships must result in a mutual benefit. Thus, it should never be a one way communication that pushes a customer who does not wish to engage and make an exchange with a company. Creating a brand loyalty strategy must therefore be based on relational benefits, allowing customers to make the best purchase decision, save time, enjoy convenience and develop a close relationship with the supplier. In return, a company asks their customers for loyalty and the positive word-of-mouth communication (Ibid., 2004).

2.1.3 Experimental marketing
Parallel to relationship marketing, another marketing concept has been established; experimental marketing. This has not emerged by chance, as consumers constantly seek to be thrilled by new experiences. Places like Nike Town and House of Ralph Lauren do not leave anyone untouched, as they embody their brand values to the utmost to offer customers a memorable experience (Kapferer, 2004). “Kim (2012, p. 424) proposes that ‘a brand is experienced when a logical connection is observed between the core concept of the brand and the needs, goals and evaluative criteria of the consumer.’” When consumers’ minds and senses are stimulated, it enables them to live differently through the product or service. To maintain customers’ interest it is of high importance to pay careful attention to all details of the brand. Furthermore, it calls for continuous change to maintain the thrill; promotions, advertising, website content etcetera. Another crucial aspect of experimental marketing is customer service, which is growing in importance. In an effort to obtain recurring customers, many brands make use of loyalty programs. However, it is important to emphasize that no loyalty program can make up for insufficient service. To keep customers satisfied and loyal involves elaborate actions with two aims. The first stresses that customers should have no reason to leave the brand; this is called a defensive approach. The second approach which is offensive, strives to create a more personalized and intimate bond with the customers. This customer bonding reconnects to the concept of relationship marketing, as it strives to unite the best customers with the brand through for instance loyalty clubs and events to achieve long term relationships (Kapferer, 2004). McCormick and Levitt (2012), claim that today’s consumers are more demanding and require higher levels of interactivity and recreation when shopping online. With higher levels of communication the possibility of attracting more consumers increase, which in turn would possibly raise the chance of e-loyalty (McCormick and Levitt, 2012; Seock and Norton, 2007).

Pop-up stores are a form of experimental marketing. “According to an article by Surchi (2010) a pop-up store present the following features: ‘the generation of feeling passes through the multisensory involvement of the individual: music, textures, aromas, colors, tastes, visual merchandizing and various symbols of various types that are widespread tools for immersing the purchaser in the experience of purchasing.’” A pop-up store is a phenomenon that first appeared in London in 2003,
followed by New York. It is a temporary store that is usually open for maximum 40 days. However, under certain circumstances they can stay open for longer. Our society seems to become more liquid and the way of life less habitual. In the hectic society of today consumers enjoy being surprised, and this behavior is thought to be the background to pop-up stores. These stores are often located in local, urban shopping areas. The stores have a short lifespan and intend to take customers by surprise, stimulate and arouse them in order to convey the core values of the displayed brands. Pop-up stores can also be used as showrooms. Around the year 2000 it was fairly common amongst Milan showrooms to travel to Paris where they would open temporary showrooms, located in art galleries or other high commercial activity locations. This was a way to attract buyers and fashionistas in a fairly low budget but effective way (Ibid., 2010).

Occasionally, pop-up stores are used solely for promotional purposes, the increase of the brand awareness is then more vital than actually making sales. These temporary stores have a good effect on hedonic consumers as it is a good way of getting them attracted and interested in the store. The hedonic experience received in a pop-up store triggers especially fashion oriented impulse buying. However, it does not necessary result in an actual purchase. Using social medias to increase the awareness of new pop-up stores is a well-known tool, as it creates word-of-mouth and buzz around a brand. By using the pop-up store concept, brands can test the potential of entering new markets and also try new exciting locations where a possible brick and mortar store could be situated. This is also an interesting strategy when entering foreign markets. Pop-up stores are a good way of understanding and interacting with customers, it is also a good way for the brand to analyze consumers’ response to a brand and its positioning. Even though this phenomenon is mostly situated in urban areas today, it is still a great way to introduce brands to smaller towns or remote areas (Sang Ryu, 2011). The Japanese fashion brand Uniqlo introduced their interpretation of a pop-up store back in 2006. They took two shipping containers and placed them in two locations in New York City during two days in order to make the statement that “Tokyo was coming to New York”. The same year Nike hosted a four day pop-up store in New York City to sell only 250 pairs of special edition basketball shoes priced at $250 each, inspired by the NBA star LeBron James (Gogoi, 2007). Boxpark in Shoreditch (London) opened in 2011. It is a unique concept with a whole shopping mall built solely by containers. It is a low risk and low cost opportunity for different types of brands. In this pop-up shopping mall, brands like Nike, Marimekko and Vans are represented. A small, container sized store can be rented under different periods of time, from one week to four years. Boxpark is constantly trying to boost footfall and keep the mall interesting by introducing new and exciting brands and also by using promotions and events (Boxpark Shoreditch, n.d.).

2.2 E-retailing

2.2.1 Online shopping

Previously, Internet shopping survived on its massive range of products and generally lower prices compared to a brick and mortar store. However, Internet shopping needs to be more demand controlled now, as the huge assortment offered online will force e-retailers to understand and assist their customers even more. A company that is innovative and understands their consumer needs in order to satisfy them will win the e-retail battle. Even though Internet shopping is increasing in Sweden, e-retail only accounts for five percent of the total retail sales today. With that said, there is definitely room for improvement in the industry (PwC, 2012). Also, the online shopping channel is starting to mature, meaning that innovation from e-retailers is more important than ever before (Ha and Stoel, 2012). According to Dawson and Kim (2009), the average online shopper views a website for 30 seconds before deciding whether to proceed to view the products or click away. This implies that the
pressure is high on creating a website that attracts and retains shoppers’ attention. Further findings from the study show that online shoppers find promotions (e.g. coupons, gifts with purchase and contests/sweepstakes) and ideas (e.g. new styles/fashions, top picks/favorites and gift ideas) act as main trigger cues for impulse buying on apparel websites. However, the various types of external cues on a website are valued differently to online shoppers. The most desired ones were promotional offers and purchase ideas. External factors that can be used in order to trigger impulse buying are factors like environmental and sensory activities that are controlled by the marketer. These factors include smells, sounds and sights in the retail environment, marketing innovations such as 24 hour openings and credit cards. Furthermore, marketing mix cues like advertisements, point of purchase displays and promotions. This clearly indicates on how the retailer plays a big part in causing impulse displays and promotions. This clearly indicates on how the retailer plays a big part in causing impulse buying behavior in the consumer (Ibid., 2009).

About every other adult in Sweden has purchased apparel online. Of the 50 percent that do not purchase clothing online 68 percent say that they want to see and try the item before purchase. Also every third of these 50 percent replies that they believe that online purchasing will result in inconvenient returns in case the item does not fit. The same amount of people says that the picture of the merchandise online does not justify the look of the clothes (e-barometern, 2012). Even if pictures, descriptions of the garment and virtual fitting rooms can be very elaborate in an online retail store it is often a poor substitute to the hands-on experience given in a brick and mortar store. Because customers cannot get any tangible information about the product or physically touch and try it on, the purchase decision of the product becomes significantly more risky online than offline (Alreck, DiBartolo, Diriker and Settle, 2011). Swinyard and Smith (2003) found in a survey that 39 percent of consumers like to see the product before purchase and 30 percent responded that they like brick and mortar stores.

As mentioned, one of the reasons why only a small part of apparel sales is made online is because it is rather difficult to properly experience the garments online. The lack of direct experience might hinder the purchase to take place online. Consumer enjoyment is also believed to be smaller in online shopping. To use interactivity technology (IIT) can be a way of decreasing the risk of dissatisfaction that can lead to return of an item. This type of technology, like “virtual try on” (VTO) can increase the consumers’ confidence in purchasing apparel online. VTO is also considered more hedonic than 2D and 3D images. But the chance to evaluate the product in a sufficient way does not increase with VTO. Another technology like 3D body scanning is a way of increasing the congruity of a person’s real size and body. However, by using new technologies like body scanning, new problems occur with questions like where a customer can use a body scanner (Merle, Senecal, and St-Onge, 2012). The Swedish company Virtuze has launched a virtual dressing room called Fit Visualiser, which is currently being tested on the UK based fashion e-retailer Asos. The company has approximately 23 million unique visitors per month and will during the trial period allow the virtual dressing room on more than 2000 products from their internal brand. Fit Visualiser enables customers to compare potential purchases with their own garments (i.e. the customers’ individual measurements), by showing the two garments overlapping each other. This way, consumers can easier perceive which size to choose. Hayley Martin, product manager at Asos, says that they have already noticed a significant decrease in returns (Habit, 2013).

2.2.2 Multi-channels
Fashion online retailers need to understand that the online experience provided is critical for business success. It should be communicated in an appropriate format giving the consumer the equivalent pleasure of that in traditional shopping environments, i.e. physical stores. Furthermore, Griffiths and
Howard (2008) stress that if consumers purchase products online; they should be given the opportunity to return it through any of the brand’s distribution channels. One of the reasons for this is that the future shopper is predicted to be able to easily cross different channels. There are many companies that are deliberately making use of multi-channel approaches to keep the viability of the traditional shopping experience (Ibid., 2008). Dawson and Kim (2009) support that products purchased online should be able to be returned in-store, as it provides more return options and locations. In addition, the chance of making an impulse purchase increases. An unplanned purchase and impulse purchase goes hand in hand. The impulse purchase will occur fast and often as soon as the consumer has been exposed to the product. A multi-channel approach could mean that a brand’s equity is transferred to its online channel. This could possibly result in an advantage over pure play online retailers with less traditional exposure (Griffiths and Howard, 2008).

According to an article by Seock and Norton (2007) research has been done that indicates that more than 50 percent of consumers shop clothes from multiple channels and that these customers shop two to four times more than the consumers who only use one channel for their purchasing. To use multiple shopping channels in today’s competitive market can be essential for a fashion retailer as it can increase both sales and revenue (Ibid., 2007). A research made by PwC Retail & Consumer in March 2012 about multi-channels for retailers shows that much of the research for a product is made online but the actual purchase is taking place in a store. The Internet has the comfort of searching for products in a convenient way and customers like the fact that they are able to get products delivered to their home. However, consumers still prefer completing the purchase in a store. This means that the online store misses out on the profit of the product in the end of the day. To find a way of completing the purchase online is crucial for e-retailers (PwC, 2012).

2.2.3 Returns
As return logistics is to recapture value or to create value in a product, it is of significant importance that this part of the supply chain is managed in a sufficient and cost efficient way (Yin and Mao, 2010). Returns can be costly for the consumer in terms of money but also in terms of time and effort. Consumers with a lot of time pressure would be the type of customers that would suffer from time loss. There are two types of time pressure; situational and personal. Situational time pressure applies to those who do not want to spend time on shopping in a brick and mortar store. Personal time pressure applies to customers who enjoy shopping in a brick and mortar store, but who do not want to wait for online products as they cannot be received directly after purchase. To clarify, this does not mean that the latter customers do not enjoy online shopping per se (Alreck, DiBartolo, Diriker and Settle, 2011). According to a survey made by the British market research company Redshift Research, 41 percent of UK customers claim that they order the product in multiple sizes to make sure they get one size that will fit when purchasing clothes online. Also, around 60 percent of the respondents claim that they would not purchase products online from a certain company unless returns are free. Almost the same amount of shoppers says that they do hesitate to purchase apparel online as they are worried about the size. The survey also claims that women are more likely to order more sizes and return than men (Ibid., 2011). Heikki Haldre, chief executive of Fits.com states that some consumers’ do not trust the information given about sizing by the retailer as there is no universal sizing standard. Costs like free returns (transportation), re-warehousing and a possible discount of the item are expensive for the retailer (Dusto, 2012). A company’s profit can be reduced with 4.3 percent because of returns and this issue is one of the largest frustrations in the apparel industry (Kang and Johnson, 2007).

A more generous return policy for a fashion e-retailer might decrease the hesitation of purchasing products online, as the consumer can be promised that an unsatisfying item can actually be returned.
This can increase the buying intention. Early adopters or innovators in fashion are more likely to purchase more items and experiment with the different looks, and then return items that are not satisfying. As previously mentioned in the theoretical framework, impulse buying can be good for the retailer in terms of increased purchase behavior. However, impulse buying is also likely to result in dissatisfaction and there is a greater chance that these types of purchases will end in a return of the garment. A negative experience followed by an impulse purchase can obviously result in financial problems and disappointment with the product. This can also result in an increase of returns and a dissatisfaction of a brand or retailer. The hedonic needs of customers such as the feeling of novelty and entertainment are main motivators of impulse purchasing. These needs are often likely to occur just when the product is purchased and the needs do not often remain after the purchase has taken place. Hence, impulse purchased products that are satisfying for the hedonic needs do often lose their value as time passes. These products are often returned to the retailer. Retailers have a challenge in trying to change the impulse purchasers to more permanent and satisfying solutions (Ibid., 2007). The atmosphere and experience of e-shopping is a crucial factor for apparel online retailers. Features such as fun, excitement and pleasure that are conveyed during the e-shopping experience are rather important benefits that need to be offered to the consumer. Also, the customer service and security provided to the consumer by the e-retailer has a direct impact on the shopping behavior (Ha and Stoel, 2012).

Even if a generous return policy can result in an increased buying behavior it also increases the costs for the retailer. An example is given in the article Reverse logistics in e-business by Mukhopadhyay and Setoputro (2004). The American company Spiegel Group sold 1.5 billion USD worth of merchandise from its catalogues and website, and experienced 300 million USD worth of returns. As returned products can be returned during the whole season, these items will hopefully be resold. However, these items need to be taken into consideration during the retailers’ buying process and when making orders for the season. To be able to predict returns is obviously difficult. Returns causes disruptions in the supply chain and returns received late in the season can result in lost sales of the particular item or perhaps the item has to be sold at a discounted price. If the different seasons are unusually long or short it becomes even more awkward to resell returned products (Mukhopadhyay and Setoputro, 2004; Mostard and Teunter, 2006). By using a just-in-time system (JIT), unnecessary stock received after returns can be significantly decreased as the JIT system controls the stock (Yin and Mao, 2010).

3 Methodology

The method used was mixed with both qualitative and quantitative approach. This was considered to be a suitable approach as the survey and in-depth interviews together “tells the whole story”. It was also an efficient way to see the problem from different angles (Vogt, Gardner and Haeffele, 2012).

3.1 Quantitative approach

The research method used in the quantitative research has tendencies of cross-sectional design. Cross-sectional design is also known as survey research and it entails data to be collected from more than one case at a single point in time. This is an efficient way of gathering information from a large population and making the results more generalizable (Bryman, 2012). One of the major advantages of cross-sectional design is that it allows for quick results at a low cost (De Vaus, 2001). Furthermore it gives the possibility to gather information from a large group, which is suitable for studies on behaviors, attitudes and beliefs (Mitchel and Jolley, 2006). A self-completion questionnaire consisting of fourteen questions was made via SurveyMonkey.com, and the questions can be found in appendix
2. Initially, the survey was distributed through Facebook in order to reach a wide audience. However, after consulting with the authors’ supervisor it was confirmed that the sample size could not be provided accurately, as there was no possibility of knowing how many people the survey had reached. Therefore, the survey had to be remade in order to determine this. As this issue was rather time consuming, there was no time to pilot test the new survey. The new survey was distributed through the Internet via the administration of the Swedish School of Textiles to a total of 653 students. Of these students, 200 participated in the survey, which generated a response rate of approximately 30 percent. The survey was available online during two weeks. The survey questions consisted of mainly closed questions; however on a few of the questions the respondents were given the opportunity to supplement the fixed alternatives with a personal comment. Closed questions were preferred as the answers were easier to process than semi-structured or open questions. As a survey provides with different options in each question, this might give more clarity to the respondents. Other advantages are that it is easy for respondents to complete the survey and the interviewer cannot misinterpret the answers given by the respondent. However, a closed question survey can miss out on interesting replies from respondents and the validity can be jeopardized as the respondents can interpret the question faulty. It can also be frustrating if the interviewee fails to find a category that will fit them, therefore “not applicable” can be a good response option to use in a survey. Regarding the questions that were open ended, the authors wanted to give the respondents an opportunity to answer with their own words. As open questions allow more unpredictable answers, the intention of giving the respondents an opportunity to add a personal comment on a few questions, was to get more in-depth information. Also, the last question asked the respondents to specify one or more of the fashion e-retailers they normally purchase from. The purpose with this question was to get an understanding of which type of customers that were participating in the survey. Therefore, it was considered better to let the respondents’ state e-retailers specifically, rather than to give them fixed alternatives as there are so many fashion e-retailers on the market. As the survey was designed and distributed on the Internet, there were further advantages opposed to if it would have been distributed through post. When constructing the web survey the questions were programmed in a way that the respondents had to answer all questions in order to submit the survey. This way the number of usable questionnaires increased significantly. On a written questionnaire, it is easier for respondents to choose whether they want to answer all questions or not. Thus, this would result in a larger number of unusable questionnaires than in the case of web surveys (Bryman, 2012). All respondents’ replies were logged on SurveyMonkey.com’s database.

There are two methods to be used when sampling; a probability and a non-probability approach. In general, it is more likely to achieve a representative sample through probability sampling. However, in this survey, a non-probability sampling method was used. The main reasons for this were due to the limited resources available and the matter of cost. Of the three main types of non-probability sampling, convenience sampling was used. A problem with this sampling method is the fact that the findings cannot be truly generalizable (Ibid., 2012). In this case, the chosen sample of students at the Swedish School of Textiles is not representative of the Swedish population as a whole. In an attempt to attain a higher number of respondents in the sample and to increase the generalizability, several other institutions at the University of Borås and the University of Gothenburg were contacted to distribute the survey. Unfortunately, there was no response from either of the schools. Furthermore, Södertörn University in Stockholm and Chalmers University of Technology in Gothenburg were contacted. Both schools responded that they did not distribute any surveys in order to protect their students from spamming. ICA banken in Borås, Bombardier Transportation in Västerås and SEB in Stockholm were also contacted to distribute the survey to their employees, with the purpose of achieving diversity in terms of demographics as well as psychographics amongst the respondents.
However, according to the companies’ policies they were not able to assist us with sending out the survey. Even though the data provided cannot be generalizable, it can be used as a starting point for future research if the outcome of the research questions proves to be positive. It should also be mentioned that social research is frequently based on convenience sampling, and that it possibly plays a more prominent role than is sometimes supposed (Ibid., 2012).

3.2 Qualitative approach

Qualitative interviews have been made with the Swedish online fashion companies Bubbleroom and Ellos. These interviews were of interest as the companies are potential users of a public showroom and their opinion is of significant importance. To provide the reader with further information about the chosen fashion e-retailers, a brief description of the companies follows.

Ellos started in 1947 and is now a part of Redcats Nordic, where companies like Josefssons and Jotex are also included. In 2011, Redcats Nordics had a turnover of 3.2 billion SEK. Ellos is originally a traditional mail order company known for its catalogue, which has developed into a strong e-commerce brand. The company is the largest online store in Scandinavia and has around 400 different brands. Ellos sells a wide range of clothing, shoes, and home electronics. The target audience is mostly women in their thirties with families. Internal brands include Sara Kelly, JSFN and e-basics. Ellos offers its customers a 14 days return policy and it can be done both via the customers own account online or traditionally via mail. To return via the web costs 30 SEK and returns via mail costs 40 SEK. There is a possibility of becoming an Ellos premium customer which costs 199 SEK for 12 months. The customer will then enjoy benefits like free shipping, free express shipping and extended return policy (Ellos, 2013a; Ellos, 2013b; Framtidsföretagen, 2012; Redcats, n.d.). Ellos does occasionally work with pop-up stores. For example, in the spring of 2012 Ellos introduced a type of a pop-up store (which could be accessed through cell phones) in order to present their new summer collection. There were 15 different virtual stores and each store was open for three days (Åslund, 2012).

Bubbleroom is a part of Consortio Fashion Group (CFG), one of the leading distance selling businesses in Scandinavia, Baltics and Central and Eastern Europe. Other companies included in the group are Halens, Discount24 and Cellbes. CFG has a turnover of 1.5 billion SEK (Consortio Fashion Group, 2012). In 2005 Bubbleroom opened its online shop with exclusive fashion brands. It has grown to become one of the largest fashion e-retailers in Scandinavia, offering a wide selection of apparel, shoes and beauty products. The company mainly targets women and men between the ages 18 and 25. The business concept is to constantly offer a wide variety and large assortment that is up to date in terms of fashion and trends, focusing on providing the products you want to wear when you want to look fabulous. Bubbleroom’s own brands include Mixed from Italy and Rich Bitch. In addition to their website, the company has its own magazine; B magazine. This was the first magazine within fashion e-retailing made available to purchase in-store (Bubbleroom, 2013a). The company charges 39 SEK for shipping and customers must pay a fee of 45 SEK when returning unwanted products. If a customer wants to exchange a product for another, an additional shipping fee applies (Bubbleroom, 2013b).

Bubbleroom and Ellos were chosen as they together account for a fairly different target group. Furthermore, they represent different market segments on the Swedish market. It was interesting to see the differences between the companies and to look at their attitude towards a public showroom. Ellos is a company with a long heritage that has evolved through the mail order era to the Internet. Bubbleroom on the other hand is a fairly young company that has used the Internet as a sales channel from its beginning. Both companies are a part of a larger corporation which has also been taken into
consideration. Initially the Swedish fashion e-retailer Nelly.com was supposed to be an additional respondent in the qualitative research, but unfortunately they had to decline the invitation due to the fact that they did not have time to participate. Initially both the interviews were supposed to be semi-structured and personal. The interview with Bubbleroom was conducted in this way, but the interview with Ellos was carried out in a more structured way. The latter interview was conducted entirely via e-mail as the respondent had no possibility to be interviewed physically. Both the interviews were carried out with open questions. The interview with Bubbleroom was made with buyer and buying controller Martina Lövgren. As the interview made with Bubbleroom was conducted in a semi-structured way, the chance to ask follow-up questions was given. The semi-structured interview format was used as the relevance and importance of each question was not known in advance. For that reason, it was important to have an open dialogue with the interviewee (Svensson and Starrin, 1996; Bryman, 2012) and this opportunity was given with Bubbleroom. An advantage with this type of research design is that it enables the interviewer to observe the interviewee during the interview. Furthermore, in-depth understanding is given of the human behavior as the interview cases are specifically chosen in qualitative method, rather than being random which is the case with quantitative method (Glenn, 2010). The interview questions to Ellos were e-mailed to the assortment manager for the ladies, children and underwear department, Robert Beckerman. As mentioned, this interview was more structured than the Bubbleroom interview, but it still had tendencies of a semi-structured interview as there were opportunities to ask follow-up question via e-mail. The issue with this type of interview was obviously that follow-up questions could not be asked immediately. In that sense, the interviews were carried out slightly differently and that has been taken into consideration in the analysis of the interviews. Both interviews were conducted in Swedish. The questions asked have been translated and can be found in appendix 1.

3.3 Data collection

As the research done is new and specific for the desired outcome and result, primary data collection was collected from the customer survey and the interviews with Ellos and Bubbleroom. In the introduction and theoretical framework scientific articles, books and surveys that were publicly available were used as a frame of reference. The main database used was Summon, the University of Borås’s database. This was used to search for both relevant literature as well as scientific articles. The databases SciVerse, ProQuest and Emerald have been used as they provided relevant scientific articles within the research area. In addition, a literature search has been made at California State University Long Beach’s library. Search terms included: fashion e-commerce, online apparel shopping, relationship marketing, apparel online, brand management, reverse logistics and return management.

3.4 Research gap

Along with the increasing interest in shopping fashion online, the academic interest within the area of fashion e-retailing is emerging. Although relevant information sources are scarce, the existing research done relates mainly to the consumer perspective rather than to fashion e-retailer strategies. According to Hines and Bruce (2007) a multi-channel approach could reduce the perceived risks associated with online shopping; in terms of garment fit, style, color, feel and quality. By evaluating the mentioned attributes in a physical store would facilitate the purchase decision. The findings from the background chapter showed that research has been made to address the stated issue, and more important that there is an explicit gap between e-retailers and consumers. No further research has been made on possible solutions to improve this situation, which may be questioned since e-retailers face a huge challenge reaching out to its customers. However, a report about multi-channel approaches in Swedish retailing (PwC, 2012) mentioned the concept of a public showroom, and considered if it might possibly be a
cost efficient way for e-retailers to drive sales. Furthermore, they stressed that the concept would place high demands on the logistics aspect, in order to meet customers’ expectations.

3.5 Data analysis methods
The answers from the survey were compiled through diagrams, depending on the variables in the questions. Bryman (2012) means that the pie chart and the bar chart are suitable when working with nominal or ordinal variables. Questions 4, 5, 8, 9, 11, 12 and 13 were presented accordingly, through pie charts. A pie chart provides information of the relative size of the different categories, as well as the size of each slice relative to the total (Ibid., 2012). Bar charts were produced for questions 6, 7 and 10, which also had nominal and ordinal variables. It was not as motivated to present these questions in pie charts as there were not as many categories, therefore the authors considered that bar charts would suffice. When presenting interval/ratio variables, a histogram is suitable. This was the case for questions 2 and 3, as the distances between the categories were identical across its range (Ibid., 2012). The purpose with the survey was to examine Swedish consumers’ online shopping behavior and their attitude towards an implementation of a public showroom. Based on the results from the survey, the authors could see indications and relate to what was stated in the theoretical framework in order to draw a conclusion. The interviews with the fashion e-retailers were analyzed with help of a matrix. This meant that the interviews were put next to each other in order to find whether there were any similarities in form of certain words or themes (Trost, 2010). The interviews conducted were recorded and documented. Initially, the authors interpreted the interviews individually. The results were then discussed together to see if the authors had interpreted the answers in the same way. Finally, the results of the interviews were summarized and compared to each other in similarities and differences.

3.6 Validity and reliability
3.6.1 Quantitative approach
There are several factors that help to decide whether a measure is reliable or not. According to Bryman (2012) these are stability, internal reliability and inter-observer consistency. Stability refers to whether the measure is stable over time. “Sapsford (2007) further clarifies that it applies ‘over a reasonably short period of time, during which change would not be expected to occur.’” The survey conducted was considered to have a rather high stability. Although there has been no physical opportunity to test-retest the survey it is believed that the same respondents would answer similarly, if the survey was to be re-administered in the near future. Internal reliability was not applicable in this case, as the survey did not have a multiple-item measure with the purpose of achieving an overall score (Bryman, 2012). The inter-observer consistency was considered to be high as the authors both were in agreement when interpreting and analyzing the results of the survey. Taking these factors into consideration, the overall reliability of the survey was thereby considered to be relatively high. The face validity in the survey is considered to be fairly high as the survey measures what it was intended to measure. However, the authors wanted to get a second opinion from the Swedish School of Textiles but this could not be provided sufficiently.

3.6.2 Qualitative approach
Bryman (2012) means that in a qualitative research method trustworthiness and authenticity are the two primary criteria that should be used. These criteria are an alternative to reliability and validity. Trustworthiness consist of four different criteria; credibility, transferability, dependability and confirmability. The credibility was deemed to be fairly high as the result of the research was believable (i.e. objectively viewed) from the authors’ perspective. Transferability specifies the external validity, which means the way the results can be generalizable to other situations and contexts. It was
rather difficult to determine the transferability of the results. However, the information provided could possibly be transferred to for instance other industries (e.g. automobile or food industry) that seek to find influences that could be implemented in their work. Dependability can be compared to reliability and this was believed to be rather high in this case. The research area is of personal interest for the authors. However, the confirmability is still high as the authors have been objective during the writing. When gathering information, various perspectives within the subject have been taken into consideration to provide the reader with an overall view of the subject.

In addition to trustworthiness there is authenticity, which in turn has a few more criteria: fairness, ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity. The fairness of the study was reasonably high as both interviewees were able to review the text written and to make further comments and adjustments to prevent misinterpretations of the answers. The ontological authenticity was considered to be high as the intention was to fill the research gap in this matter and also provide new information regarding the subject. Regarding educative, catalytic and tactical authenticity it was rather hard to determine, as the interviews have only been carried out with one person from each company (Ibid., 2012).

3.7 Discussion

The interview with Ellos could possibly have had a different outcome if it would have been carried out as a physical meeting rather than via e-mail. There is a chance that the interview had been formed differently as there could have been a better flow in the communication. Furthermore, it should be taken into consideration that the interviewee at Ellos had longer time to consider the questions before answering. As the interview with Bubbleroom was carried out as a personal interview, the interviewee was not given as much time to think about her answers. Both Ellos and Bubbleroom could only provide us with representatives from their buying and assortment departments. However, it would have been more justified to interview someone from their marketing departments instead. In retrospect, a focus group or additional interviews with further representatives from Bubbleroom and Ellos would have been useful in order to strengthen the trustworthiness and authenticity. To get a more in-depth understanding of the fashion e-retail landscape in Sweden, it would have been interesting to interview other companies with differences in sizes and target groups. As the survey conducted included only female respondents between the ages 20 and 30, it is rather difficult to fully relate these respondents with the target group of Ellos; as they are mainly women in their thirties with families. This is something that the authors are aware of, and has been taken into consideration for further research that is to be made within the area.

Initially, there was a desire to have a larger sample for the survey than only the students of the Swedish School of Textiles. As mentioned in the method, several attempts were made in order to gather a larger sample but the attempts failed. Also, the resources, time and budget were limited in order to make an extensive survey. Given the prevailing circumstances, the Swedish School of Textiles was the only possible option for the sample. The results from the survey showed that there was a significant difference in gender. Based on 200 respondents, there were 168 women (84 percent) and 32 men (16 percent). The authors discussed back and forth regarding how this should be dealt with appropriately. It was decided to eliminate the male respondents and only use the female respondents’ answers. The main reason for this was to prevent the result from being ambiguous. If the sample would have been larger and included respondents from ICA Banken, Bombardier Transportation, SEB and the other universities contacted, it is believed that the outcome would have differed. This would also have given a fairer representation of the Swedish population, and most certainly a more even distribution between men and women. Thereby, it would have been more justified to make use of both
genders’ responses. It can be assumed that the outcome of the survey would have been more
generalizable in that case. The total sample size included 653 students. It is rather difficult to know
exactly how many are women and men. It can only be assumed that there is a majority of women. Out
of the 168 participating women it is difficult to know whether these are generalizable for all the
women at the Swedish School of Textiles. By that said, it is hard to predict how the remaining students
who did not participate in the survey would have answered. The fact that only female respondents’
answers were used when compiling the results, has been taken into thought when considering the
target audience for a public showroom.

Regarding the construction of the survey, the authors wished to receive comments from an expert from
the Swedish School of Textiles. Unfortunately, this could not be provided. Therefore the face validity
is considered to be fairly high instead of high. There are also certain weaknesses in the survey
questions, and in retrospective some of the questions could have been reformulated in order to obtain a
more solid outcome from the respondents. With that said, the result is satisfactory; however it could
possibly have been more consistent. The result will still provide an indication towards how Swedish
consumers would perceive a public showroom and will lead the authors in the right direction for
further research in this matter.

4 Empirical findings

This chapter presents the most relevant results from the survey. The remaining results can be found in
appendix 3. Furthermore, the results from the interviews conducted with Ellos and Bubbleroom are
presented.

4.1 Survey

Out of 200 participants, the authors decided to process only the 168 female respondents’ answers as
they accounted for a majority of the responses (namely 84 percent). To provide the reader with a better
understanding of the respondents, the distribution of age and how frequently the respondents purchase
apparel online are presented in the first two figures. The next diagrams present results that are of
particular importance to provide answers to the research questions. Not all of the survey results are
presented. The reason for this is that the authors believe that they are not directly relevant in order to
answer the research questions. However, the remaining questions and answers are relevant for an
eventual launch of a public showroom, as the results provide information that could be of interest for
fashion e-retailers. On question 14, the respondents were asked to specify one or more of the fashion
e-retailers where they usually buy from. This question was asked in order to get an idea of what type
of consumers that had participated in the survey. The company that most of the respondents purchased
from was H&M, followed by Nelly.com and Asos. Ellos came in fourth place, followed by Zalando.

![Q2: Age?](image-url)
Q3: How often do you purchase clothes and shoes online every month?

- 76%: 1-3 times
- 4%: 4-7 times
- 2%: More than 8 times
- 18%: Do not purchase

Figure 4 Question 3

Q5: Which product do you consider to be the easiest to purchase online?
- Shoes: 27%
- Accessories: 23%
- Underwear/swimwear: 15%
- Bottoms: 8%
- Dresses: 4%
- Tops: 3%
- Do not purchase: 20%

Figure 5 Question 5

Q9: Why do you choose to not purchase clothes and shoes online?
- Might have to return the item: 29%
- The product might not fit: 34%
- The quality and color might be different from what I expected: 21%
- Not applicable: 16%

Figure 6 Question 9
Q10: If there was a possibility to do so, would you take your time to try the product on before purchase (if the product could only be purchased online)?

![Bar chart showing responses to Q10](image)

Figure 7 Question 10

Q11: If you answered YES on Q10, why?

![Pie chart showing reasons for answering 'Yes'](image)

- Positive to touch, try and feel a product before purchase
- Positive to get a better brand feeling and knowledge about the brand I purchase
- Positive for new brands that I am unfamiliar with
- Not applicable

Figure 8 Question 11

Q12: If you answered NO on Q10, why?

![Pie chart showing reasons for answering 'No'](image)

- Time consuming
- Awkward
- Unnecessary
- Not applicable

Figure 9 Question 12
4.2 Interviews

4.2.1 Ellos

As Ellos is a distance selling company they promote their internal brands mainly through their catalogue. Depending on what feeling they seek to evoke when displaying their products, the company makes use of different photography environments. When communicating specific trends they mainly use a photo studio. However, if the products serve a purpose of conveying a lifestyle rather than a trend, the photo shoots are held in an appropriate outside environment. This makes it easier to provide some kind of identity to the products. Also, specific products or outfits can be displayed in a larger format on a full page spread. The products are thereby exposed in a way that is more visually appealing, thus giving the customers a more tactile feeling. Ellos conducts focus groups frequently, to find out how customers perceive their assortment. Findings have showed that customers do notice a difference amongst the internal brands in terms of the different looks (e.g. lifestyle, romantic, preppy etcetera). However, the loyalty to one specific brand is rather low. Most often, customers purchase from at least three different brands. Ellos means that the reason why their internal brands exist is to ensure that they can offer collections representing the variety of styles amongst their target audience on the Scandinavian market. The internal brands are developed through an internal segmentation of the target customer. To retain already existing customers Ellos works in several ways to measure customer satisfaction, one of which is their NPS program\(^1\). Furthermore, as Ellos is a distance selling company, they automatically possess more knowledge about their customers in comparison to physical stores. When prospecting for new customers, Ellos make use of paper contacts alternatively by appearing on websites where existing and potential customers are active. The processing of a customer begins as soon as a new customer makes an initial purchase.

Rather than seeing returns as a problem, Ellos means that it is a part of their business as a distance selling company. The aim is to provide customers with products that are satisfactory. This is something that customers are rather good at solving on their own, by for instance purchasing two different sizes of a garment, to eventually choose the most suitable one. To further question the return issue, Ellos is asked whether the returns entail high costs for the company. Costs are referred to as

\(^1\) Net Promoter Score (NPS) is a system that allows companies to achieve profitable growth by focusing on maintaining their customers' loyalty (Instapulse, 2012).
shipping, repackaging of products, warehousing of products etcetera. “Robert Beckerman, assortment manager for ladies, underwear and children means that ‘it is a cost. However, if it ultimately generates in a purchase it is a part of our business costs – just like electricity is a cost for physical stores.’”

When customers return products they can either fill out a paper form or do it online. If the customer responses would indicate that a certain product has higher return rates than what is usual, Ellos follows up by for instance making adjustments in the product description. Furthermore, this could include changing the product image, if the color reproduction is misleading. If a customer is unsatisfied with a product and the fault lies with the company, Ellos can compensate the customer in different ways by for instance covering additional costs that occur. However, having an open dialogue with the customer is most often sufficient to solve any minor issues.

Ellos do not see any significant differences in either sales or returns between their internal and external brands. If anything, the return rate is slightly higher on external brands as these often have higher prices. With higher prices, customers have higher demands of the product being perfect. Concerning external brands, Ellos are aware of the trend that customers actively search for and try the products in physical stores to later find it on the Internet – preferably at the lowest price possible. Ellos does not distinguish between their internal and external brands, but as they most often have quite few external brands represented in their catalogues, their internal brands naturally receives better exposure. To strengthen the brand image, Ellos occasionally showcase their products physically in for instance pop-up stores and press viewings open for the public. Finally, the question of the public showroom concept is raised. Ellos believes that this could possibly be beneficial for them, but as of today they have taken a strategic decision not to have any physical stores. In addition, as the Internet is growing as a sales channel it is not likely that Ellos would go any further with this matter, besides occasional pop-up stores and press viewings. If they would be given the opportunity to display their products in a public showroom, Ellos would possibly be interested. However, it would only occur during specific occasions.

4.2.2 Bubbleroom

As of today, Bubbleroom has not begun in the earnest working actively with their internal brands; they work with them as they do with any other brands. However, they are planning to increase the focus on internal brands in order to achieve uniqueness in the assortment. The marketing effort made to promote products is mainly through their newsletter, which is a very important marketing channel for the company. In addition the products are displayed on their website and in their magazine. It should be acknowledged that this applies to all Bubbleroom’s brands. Hence, no specific marketing efforts are made solely for the internal brands. However, Bubbleroom are currently in the process of developing their internal brands portfolio. Much thought lies behind this new launch, to create more of a solid brand image. Whether their internal brands are perceived by customers the same way it does in the company is hard to say, as their existing brand Rich Bitch might be somewhat hard to grasp. But as the name suggests, Rich Bitch reflects attitude. This per se probably attracts a certain kind of customer. Although the brand goes under the name Rich Bitch, some collections have for instance included dresses with floral prints. Bubbleroom have high aspirations and expectations for the future in terms of their internal brands, and believe that customers will be positively surprised with what is to come.

Bubbleroom offers premium membership, which customers can sign up for (at a cost of 149 SEK). The benefits of the membership include free shipping, free returns, a subscription of Bubbleroom’s magazine and an additional gift. Customers sign up for a six month premium membership, and

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2 Robert Beckerman, assortment manager for ladies, children and underwear at Ellos. E-mail interview 11th May, 2012.
benefits from it after three purchases, as it has thereby covered the shipping costs. This is one of the company’s major ways of obtaining recurrent customers. In addition, Bubbleroom frequently make use of their newsletter and text messages. To attract new customers Bubbleroom make sure that they are present on banners on relevant websites. Furthermore, they often collaborate with bloggers and appear at different events as sponsors. They also promote themselves through TV commercials and to some extent through radio. Also, social medias like Facebook and Instagram should not be forgotten to mention as important communication tools. Occasionally, Bubbleroom has had some pop-up stores. One of their most successful was the one in Stockholm, during the launch of a new service called dress express. The service targets Bubbleroom’s customers in Stockholm, and as its name implies dress express offers express delivery of a dress within two hours. In the city center of Stockholm, more specifically at Stureplan, Bubbleroom had a pop-up store with a big, pink booth where customers could browse through the assortment of dresses that were included in the dress express service. The products were not available for purchase; however, customers were encouraged to put together their dream outfit consisting of a pair of shoes, a dress and a handbag. Afterwards, Bubbleroom chose a few outfits that were then given to the customers who created the look. As one could understand, there was a lot of movement around the event. To inform and promote the event, there were girls dressed in pink spreading the word about the dress express service. Besides the pop-up booth, large jeeps drove around the area playing Bubbleroom’s signature melody. The pop-up store in Stockholm turned out very successful, and the company intends to continue with these types of events in the future. “Martina Lövgren, buyer and buying controller, mean that ‘there is absolutely a willingness to showcase the garments physically to the customers.’”

Regarding the return issue, Bubbleroom does not believe that their return rates are any higher than other e-retailers. However, it is a bigger issue for e-retailers in general compared to physical stores as customers cannot try on the products before making a purchase. Most often the returns are due to wrong sizes, but it can also be that products do not correspond to customer expectations. Even though customers pay for shipping and return costs, returns are still costly for the company. This is definitely one of the big motivators for producing more internal brands as these have higher margins. When customers return products they fill out a return form, stating the reason for return. This information is mainly used by Bubbleroom to evaluate and show to their suppliers if a certain product has recurring faults etcetera. On their internal brands the produced volumes are most often larger, and if customers continuously experience similar issues with a product, Bubbleroom clarifies the product information or encourage customers to choose a smaller/larger size than they usually do. If a new order is placed on a product with previous sizing issues, it might be scaled down to match the sizes better. By this means, Bubbleroom carefully follows up production of their own products that come in large volumes. The company values customers filling out their reasons for return, but if there is not something actually wrong with the product it is not followed up in a certain way. However, if there is a continuous pattern in the return forms regarding a product, it is motivated to delve deeper into the problem.

Bubbleroom has what they call a customer first mindset, an ongoing project in which all companies included in CFG meet to discuss the customer perspective and how to implement relevant changes in order to prioritize the customer. As returns are a part of the business, Bubbleroom has guidelines and tools to ensure that customers receive the right products. However, errors do occur, and these are of course corrected most often through the customer service department. To raise the customer service quality even more, Bubbleroom recently changed cooperation partner in their customer service department. Depending on the fault, Bubbleroom compensates in an appropriate way. For instance, a customer could receive 20 percent off the next purchase made. In some extreme cases, when a
customer might have experienced deficient customer service, Bubbleroom has taken the decision to compensate the customer with a flower delivery as soon as the case has been resolved. This small gesture has received exceptionally positive responses, and has been much appreciated by those whom it concerned as it was rather unexpected. Furthermore, actions like this are not only appreciated by customers, it is also written about in blogs and appears on social medias which is favorable for the company.

“When questioning whether Bubbleroom experiences any difference in sales on their internal brands in contrast to their external ones, Martina Lövgren answers ‘one would think that there is more hype around the external brands, but it is actually the other way around as we see it. Many of our bestselling products are ones that are unique to us.’” She further speculates that customers might come across the external brands on Bubbleroom’s website and find them appealing, but when it comes to the actual purchase it is made in a physical store. The products that are produced in larger quantities, i.e. Bubbleroom’s own production are slightly more taken care of before publishing on the website. As these products have higher margins and as they can be more easily controlled than external brands, it is motivated to for instance retake photos that are to be used in the product information. Since Bubbleroom already uses pop-up stores as a communication channel they most definitely think that showcasing their products physically strengthens the brand image as well as their market position. In the end of the interview the public showroom concept is mentioned. Without further consulting with the other departments, Martina Lövgren believes that it would probably be of interest for Bubbleroom, provided that it takes place on occasions selected by the company and during a limited time.

5 Analysis

In this chapter the empirical findings are reconnected with the theoretical framework, in order to attain answers to the research questions. The chapter ends with a discussion, in which the authors express their own thoughts and opinions.

5.1 Survey

As seen in figure 5 (p. 21), the respondents found shoes and accessories to be the easiest products to purchase online. The products that are considered to be the most difficult to buy online are underwear/swimwear and bottoms. The pictures and information provided on websites and in virtual fitting rooms can be of great quality, but it is still a poor substitute to the experience in a brick and mortar store (Alreck, DiBartolo, Diriker and Settle, 2011). Bottoms and underwear/swimwear are products that are considered to be more risky to purchase before it has been tried on. The theoretical framework further mentioned that the lack of direct experience when purchasing these types of items might actually hinder, rather than encourage the purchase to take place online.

On question nine (see figure 6, p. 21), the respondents were asked why they do not to shop online. The main reason is the inability to try the item before the purchase. Having to return a product and not being able touch and feel are also reasons for not buying fashion online. One of the respondents stated: “I like to support brick and mortar stores so they can continue to be in business; they are important. In-store you get service, personal attention and the clothes can be tried on straight away.” Here, the respondent indicates on the importance of personal service. It is said in the theoretical framework that the security a customer feels and the customer service provided are two important factors in shopping behavior (Ha and Stoel, 2012). Surveys made by e-barometern and Redshift Research are also

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mentioned in the theoretical framework, and their survey results received a similar outcome on why people do not purchase products online.

A majority of 67 percent of the respondents answered that they would take their time to try a product from an online retailer before making a purchase (see figure 7, p. 22). Only eight percent were reluctant to trying the product on before purchasing online; this stands for only 13 people out of the 168 questioned. 25 percent were not sure if they would take their time and try the product first. In the theoretical framework it is stated that only five percent of retail sales today are made through e-retail and that the Internet as a sales channel is maturing. Innovative ideas in order to develop the e-retail as a sales channel are therefore vital. To give customers an opportunity to try on the garment before purchase can per se be one of these innovative ideas. As a majority of the respondents in the survey are positive to this, it can be beneficial for the e-retailer to offer this service which in theory can strengthen the brand identity. A strong brand identity can increase trustworthiness with customers and become a differentiating factor from competitors (Ross and Harradine, 2011).

Of the 67 percent that were in favor of trying a product before making a purchase, a majority (54 percent) considered that the main reason why they would do so was due to the tactility (see figure 8, p. 22). One of the respondents further clarifies how trying a garment before purchasing would be beneficial by stating “I wouldn't have to order multiple sizes and pay return fees for the extra ones.” This is consistent with what is stated in the theoretical framework. As consumers cannot physically touch and try on products before, the decision of whether to purchase the product or not becomes significantly more risky online than offline (DiBartolo, Diriker and Settle, 2011). Swinyard and Smith (2003) found that 39 percent of consumers want to see the product before a purchase. Furthermore, findings from a survey by British market research company Redshift Research showed that around 60 percent of the respondents would not purchase products online unless returns were free. In the survey conducted at the Swedish School of Textiles, the second most frequent reason (14 percent) why the respondents were in favor of trying products before making a purchase, was to experience unfamiliar brands. 13 percent of the respondents considered it to be positive to get a better feeling of a brand. These two reasons are in a way related to one another, as they involve engaging with a brand and its identity; in contrast to the primary reason given by the respondents’ i.e. that they were able to touch and feel the product. This is not directly related to the brand itself, as it rather concerns the physical characteristics (e.g. materials and texture) of the product. Kim (2012) supports that brand awareness and equity are related to each other, as they both involve creating and adding value through customers’ perceptions. As the awareness of a brand lies in its ability to entrench its features in the long term memory of consumers, it is argued that a fashion brand experience relies on the cognitive dimension. The former two reasons account for a total of 27 percent of the responses, which is considered to be quite high given the circumstances. The fact that these respondents are positive towards getting a more consistent image of a brand indicates that a public showroom would be advantageous for this matter. Furthermore, the opportunity for a brand to strengthen itself in any of the four strategic cognitive dimensions would increase significantly (Ellwood, 2002). Referring back to the loyalty pathway (see figure 2, p. 8), for every stage that customers move upwards their engagement increase, they get to know the brand better and their willingness to purchase increase. Thus, question 11 (see figure 8, p. 22) shows that there is an interest amongst the respondents to increase their knowledge about brands they might potentially purchase, and this can be feasible through a public showroom. This should definitely be an incitement for fashion e-retailers to expose their products through an additional communication channel, in order to achieve multiple benefits.
5.2 Interviews

The interviews with Bubbleroom and Ellos reveal that Bubbleroom is slightly more positive to a publicly open showroom than Ellos, as Bubbleroom already makes use of the pop-up phenomenon more actively and as an additional marketing channel. As Bubbleroom mentioned, there is a willingness to showcase the products physically to the extent possible. Ellos means that they have decided not to have brick and mortar stores and will not go further in this matter, except occasional pop-up stores and press viewings. However, it is interesting to see that both the brands are positive to use a pop-up scenario during a specific occasion chosen by the companies. As mentioned in the theoretical framework, McCormick and Levitt (2012) claim that consumers of today are more demanding and do require high levels of interactivity and recreation when shopping online. Places where products can be shown physically certainly increase the interactivity. Also, in the report from PwC (2012) it is stated that e-retailers previously survived on the massive range of products and cheaper prices. However, nowadays e-retailers need to understand their customers even more as the competition from new players on the market increases all the time. Furthermore, as mentioned in the PwC report (2012), e-retail stands for only five percent of the retail today so innovation and improvement is certainly necessary.

Both companies are as mentioned interested in using and continuing to use a pop-up store or similar. To occasionally use a showroom open for the public would give companies a chance to be seen in an additional channel. Ellos states there is no interest in having permanent physical stores. A showroom that is open for the public could therefore work primarily as a marketing channel rather than a sales channel. This could be a way to expose products from the companies’ internal brands and in that way strengthen the brand image. To be present in multiple channels can increase both sales and revenue. It is also said that customers that shop from multi-channels are likely to shop two to four times more than customers that use only one channel (Seock and Norton, 2007). A pop-up store is a great communication channel and a good way of targeting fashionistas. Bubbleroom have clearly seen the potential in doing this type of marketing in their pop-up store event mentioned in the empirical findings. A pop-up store can also increase the impulse buying behavior and provokes customers hedonic, which is stated in the theoretical framework. Even if a pop-up store would not result in a purchase, the brand identity has been communicated to the customer. To work on marketing that activates hedonic needs can be beneficial for both Bubbleroom and Ellos. As discussed in the theoretical framework, to be entertained and surprised are examples of hedonic needs. A pop-up store or a showroom can generate these feelings and result in a more satisfying retail experience.

Regarding Bubbleroom’s internal brands, Bubbleroom believes it is hard to know if the brands are perceived the same way by the customers as they are within the company. For example the internal brand Rich Bitch has an approach in the name that indicates on attitude. The name itself can certainly attract customers, but sometimes the collections are slightly different than what the name indicates. In the theoretical framework under brand management, it is stated that in order to set appropriate aims for the brand identity, three fairly common communication issues can occur:

1. If a company is unsure about what their brand stands for, it chooses to focus on imitating its competitors regarding both values and marketing communication.
2. Some companies try too hard to please every individual customer, although this is quite impossible since everyone has different preferences. By doing this, companies engage in all ongoing social and cultural fads. This eventually results in a brand with a shiny façade but with no meaningful substance.
3. The last issue is where a company creates a fantasized identity, meaning that the brand identity is portrayed as people would ideally like it, when the truth shows that it is actually not.

Evidently, companies should not refrain from adapting to market evolutions and socio-cultural changes. The bottom line is simply that they should not be too obsessed with image, as it could possibly put too much focus on appearance instead of the actual essence of the brand. Thereby, brands will gain independence and define its area of expertise, potential and legitimacy (Kapferer, 2004). By visually exposing companies’ internal brands, the brand identity can be communicated in a more appropriate way. Ellos is working with focus groups in order to grasp how their customers perceive the internal brands. This is a good way of being responsive and listening to the needs of the customer, rather than just trying to build a brand image based on the internal perceptions of the brand.

Both Ellos and Bubbleroom claim that returns are not a major problem for them, as returns are seen as a part of online retailing. However, they do state that it is a cost for the companies. The return costs will always be a cost for either the retailer or the customer, in terms of shipping, repackaging, warehousing etcetera. As mentioned under returns in the theoretical framework, 60 percent of the respondents said that they do not want to purchase from an online company unless returns are free. The same amount of people said that they are worried about sizes when purchasing apparel online. Both Bubbleroom and Ellos have certain codes for different return reasons. They use these codes in order to understand the issue with the product. Most often, the size issue is a problem, but also that the product did not live up to the expectations. By showing the product in a showroom and exposing the product for the consumer directly, this issue can be reduced or eliminated. A public showroom can stimulate a customer who is rather reluctant to buy online. Also, the fact that the customer can be assisted by a physical person can increase the chance of making a purchase. As said by Ha and Stoel (2012), customer service and security provided to the consumer by the e-retailer has a large direct impact on the shopping behavior.

Kapferer (2004) states that marketing nowadays focuses more on trying to retain existing customers rather than to merely attract new ones. Both Bubbleroom and Ellos work actively with customer satisfaction. Ellos does this in several ways; to find out how customers perceive Ellos’s assortment, focus groups are conducted. Furthermore, they continuously measure customer satisfaction through their NPS program. These efforts show that Ellos is aware that it is crucial to engage with their consumers and that they seek to climb further up the loyalty pathway (see figure 2, p. 8), described in the theoretical framework. Moreover, Ellos means that they automatically possess more knowledge about their customers in contrast to physical retailers as they retrieve much information from their website (Fisher-Buttinger and Vallaster, 2008). Their measure of customer satisfaction can be compared to reassurance surveys; one of the customer engagement factors in the loyalty pathway. The implementation of focus groups can furthermore be seen as a dialogue with customers; another customer engagement factor. This puts Ellos somewhere in-between purchase and loyalty on the loyalty pathway, in other words far up in the top tier. When being positioned in the upper segment of the loyalty pathway, it is crucial for a company to be aware of that just as customers may find themselves moving upwards they can also take a step downwards. Competition is fierce and there are many other fashion e-retailers on the market competing for the same customers. Therefore, Ellos cannot allow themselves to be content with their current position. They must continuously strive to climb further up, and include other ways of engaging with customers to keep their interest and loyalty at a maximum (Ibid., 2008).
Bubbleroom works similarly to achieve high customer satisfaction. The company has implemented a customer first mindset, and continuously meets with the other companies in CFG to discuss how they can improve customer satisfaction. They furthermore offer customers appropriate compensation if they are unsatisfied with their products. These efforts made by Bubbleroom can be compared to the ones made by Ellos, thus, placing Bubbleroom in the same position on the loyalty pathway (i.e. in-between purchase and loyalty). However, what differs between the two companies is that Bubbleroom takes one step further in their effort of satisfying previously disappointed customers. Whereas Ellos mainly try to resolve customer issues by having an open dialogue with the customers, Bubbleroom has in some extreme cases sent flowers to their customers as an additional compensation after the issue has been resolved. This shows that Bubbleroom has understood one of the key aspects in relationship marketing; that is that the value created for customers can in turn generate in sustainable competitive advantages for companies. Furthermore, the value created must be higher than simply the value derived from a transaction of products at a given time (Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2004). By sending flowers to exceptionally dissatisfied customers resulted in appreciation from the customers whom it concerned. As this action was unexpected by the customers, Bubbleroom provided additional benefits to their core service. By doing this, they allowed social ties to be established between the company and the customers. The stronger the social ties, customers find it harder psychologically to break the connection with the company and choose a competitor. When a company manages to find a perfect balance, it realizes that interpersonal relationships must result in a mutual benefit (Ibid., 2004). In this particular case with the flower delivery, there was a mutual benefit as dissatisfied customers responded positively and with great appreciation – and Bubbleroom received positive feedback by getting favorable attention in social medias. In addition, according to the theoretical framework, this puts the company slightly higher than Ellos on the loyalty pathway (Fisher-Buttinger and Vallaster, 2008).

Ellos states that their customers are rarely loyal to one specific internal brand, as they most often purchase from at least three different brands. The internal brands have been developed through an internal segmentation of the company’s target audience. Therefore Ellos can be sure that all of their customers should be able to find something that is appealing to them. Fisher-Buttinger and Vallaster (2008) along with Ind (2003) mean that a successful brand needs to have clear core values. These core values need to be compact, powerful and straightforward when communicated towards customers. The hierarchy of brand principles (see figure 1, p. 7) describes that a brand’s core values include attributes, functional benefits, intended emotional experience and values. The top of the pyramid (i.e. values) is where a company should strive to position its brand, in order to achieve a long term relationship with its customers (Fisher-Buttinger and Vallaster, 2008). Ellos claims to be confident in providing their customers with relevant products within their target audience, yet say that their customers are not loyal to any one brand which is somewhat contradictory. Taking this into consideration, although Ellos’s customers are satisfied with the variety of products, it only accounts for the functional benefits. The functional benefits stand for the added value given from specific attributes, in this case the ability to browse through a broad assortment; given the various internal brands provided by Ellos. This indicates that the company has not yet succeeded in reaching the top of the pyramid. Regarding Bubbleroom, they could not provide with relevant information regarding customers’ loyalty to their internal brands, as they are not yet as established as Ellos’s internal brands.

5.3 Discussion
There are two primary categories of benefits than consumers seek; functional and social. Functional benefits include time savings, convenience and making the best purchase decision while social benefits stand for the pleasure and comfort in the relationship of an employee. These benefits can be
provided by a public showroom, and this is something that fashion e-retailers should take into consideration (Marzo-Navarro, Pedraja-Iglesias and Rivera-Torres, 2004). The time saving factor is of certain interest to those who might be reluctant to purchasing apparel online. The fact that they would be able to try on the product before purchasing, would be time saving in the way that they would not have to purchase multiple sizes in order to later return the product that did not fit. From a company’s point of view, the return costs would most certainly decrease as the customers would know which sizes to purchase. By exposing products in a public showroom would probably calm the 60 percent that are worried about sizing as they can try and feel the garment before purchase. As the showroom would solely display internal brands, this would possibly increase the brand awareness and sales for a company. Bubbleroom specifically indicates on the fact that internal brands has a higher margin than external brands and this means that by exposing these products in a showroom could possibly result in increased sales of internal brands.

In several ways, it was ingenious of Bubbleroom to compensate particularly dissatisfied customers with flowers. Not only did it result in gratitude from the customers simply by the gesture, it also allowed for a stronger and more personal bond with the company. Although these customers were initially extremely dissatisfied with the customer service, Bubbleroom managed to turn their dissatisfaction into satisfaction. It can further be assumed that these customers, although their initial discontent, will continue to purchase from Bubbleroom as they believe that the company handles situations like these exceptionally well. It is crucial to understand that these types of extra efforts can have multiple beneficial impacts for the company and its brand image. Besides what has already been mentioned, this strategic move generated in positive responses from several blogs; which in turn most certainly have their own loyal readers. Thereby, it could not have taken long until the word was spread across the Internet. It can only be speculated whether Bubbleroom is ahead of Ellos in their customer satisfaction work or not. However, a possible reason for this could be the fact that Ellos is well-established and venerable, and one of the leading companies within its segment. Thus, they already consider themselves having a loyal customer base and can feel confident of what their customers demand in terms of customer satisfaction. Bubbleroom might put more effort into their customer satisfaction because their business is newer and not as well-established on the Swedish market as Ellos.

Although Ellos claims to be confident in that they provide their customers with products that range within the whole target group, their customers are seldom loyal to any specific brand. When referring to the hierarchy of brand principles (see figure 1, p. 7) it is clear that the upper part of the pyramid is what a company should strive for. A brand’s core values must be communicated clearly in order for customers to understand the essence (Fisher-Buttinger and Vallaster, 2008). Ross and Harradine (2011) mean that managers generally have a more favorable picture of their brand identity opposed to customers brand image. It could be assumed that Ellos has a more favorable view of their brand identity than how their consumers perceive the brand. This is something that Ellos needs to work on, in order to reach out to its customers. Their brand communication needs to be more consistent in order to step up from functional benefits to intended emotional experience, and eventually values. By selectively displaying their products in a public showroom would possibly attract customers, both existing and new. This would be favorable for Ellos as it would strengthen their brand identity, since interacting with a company’s products generate emotions amongst consumers. When these emotions are experienced repeatedly over time there is a possibility that customers may develop a deeper relationship with the brand (Fisher-Buttinger and Vallaster, 2008). Thereby, the loyalty should increase.
Question five showed that the most difficult products to purchase from an online store were underwear/swimwear and bottoms; it can thereby be assumed that these products in particular could be good to try on in a public showroom. Special seasonal showrooms could then be filled with these types of products and in that way try to satisfy the customers who find a difficulty to purchase it online. A public showroom would possibly stimulate the customers mind in order to eliminate the feelings of inconvenience of returns, the product fitting issue and that the product cannot be perceived tactically. As mentioned in the analysis, Bubbleroom and Ellos do not see returns as a major problem for their business. However, findings from the research show that this is something that is perceived differently by the consumers. 29 percent of the respondents state that they do not purchase apparel online due to the fact that they might have to return the products. This is something that should be acknowledged by the fashion e-retailers as it seems to be a rather decisive factor for the consumers who do not purchase apparel online. Perhaps this is something that fashion e-retailers are already aware of; if this is the case the authors consider that they should rethink their strategy in order to be more satisfactory in the eyes of the consumers. The 25 percent that were not sure if they would like to try the product before purchase are an important group to target. Of the remaining respondents who were not keen on the idea of trying a product before, 17 percent stated that this was because it was a matter of time (see figure 9, p. 22). The remaining respondents meant that it was awkward (five percent) and unnecessary (four percent). The reluctant and the not sure group can perhaps get stimulated with some of the features that a pop-up store can provide such as music, textures, aromas and color in order to inspire these customers to shop for online brands in a physical showroom. According to Ellwood (2002), as referred to in the theoretical framework, there is a strong underlying cognitive value amongst all successful brands and this is what creates and retains satisfied customers. Shifting marketing environment and competitive brand personalities can decrease the core brand values. Furthermore, as a brand reaches the maturity phase the original core values might fade and be replaced by secondary values; which do not concur entirely with the customers’ core needs. The four strategic cognitive dimensions are brand weight, brand length, brand power and brand breadth. Large brands can master several of them but it is recommended to start with one category at a time.

Initially, the plan for a public showroom was that it would function as a permanent solution for fashion e-retailers. However, findings from the interviews with Ellos and Bubbleroom showed that the best solution would be a pop-up alternative where the brands represented will use the showroom on a more temporary basis. This is more stimulating for consumers as the brands and displays in the showroom will continuously change. The brands can use the showroom as a pop-up alternative and have different events and exhibitions when working with new guest designers’ etcetera. This is a good way of creating a buzz around the brand and increasing the brand image as previously mentioned in the theoretical framework. A public showroom will also give fashion e-retailers an opportunity to be present in the high street without expensive brick and mortar stores, warehouse or stockrooms. A public showroom can possibly encourage impulse buying, as several products are displayed and inspiration for outfits should also be presented to encourage up-selling. If hedonic needs can be fulfilled by experience marketing in the showroom, even more purchases can be made. To have experienced and service skilled staff in the showroom is obviously crucial to inspire customers to purchase. The staff can also help with styling and fashion consulting. Having a showroom as an additional channel for a brand can be an effective marketing tool for a fashion e-retailer. There are also indications showing that more than 50 percent of consumers purchase apparel from multiple channels, and that these customers buy two to four times more than the ones who only use one channel (Seock and Norton, 2007). Furthermore, the brand will not be “eaten” by the showroom as the showroom does not act as a reseller but rather just another communication channel. This means that the e-retailers
expose their brand in a controlled way, and the purchase transactions are still only made via their own website.

The respondents were questioned whether the type of brand would be of any importance, if a product was to be tried on (see figure 10, p. 23). The second most frequent answer was yes, if it was an expensive brand. 33 percent of the respondents chose this alternative. 21 percent considered unusual brands that they had never heard of to be of interest. Cheap and foreign brands accounted for five percent each of the responses. However, most of the respondents (34 percent) did not consider the type of brand to be relevant in this matter. If a public showroom is to be implemented in the future, this is of interest as it would give an indication of which type of brands should be considered.

6 Conclusion
Based on the preceding chapters, conclusions are presented in this final chapter. The authors discuss the overall process and ends with mentioning possibilities for future research.

6.1 General conclusions
The purpose of the thesis was to examine whether there is an interest in a public showroom for Swedish consumers and fashion e-retailers, and how it could benefit them. To be able to reach this purpose two research questions were formulated. In order to answer the research questions, conclusions have been drawn from the theoretical framework, empirical findings and the analysis. The conclusions are presented below.

RQ 1: What is the potential for developing a public showroom that would function as a liaison between fashion e-retailers and their customers?

It is evident that there is reluctance amongst customers to purchase apparel online, mainly due to the fact that they cannot try on the products in advance. Findings from the survey conducted shows that a majority of the respondents were positive towards the opportunity of trying a product before purchase. Findings from the interviews with fashion e-retailers Ellos and Bubbleroom showed that there is an interest in displaying products in a public showroom in order to strengthen their internal brands. However, as they have actively chosen to operate as e-retailers and not have any physical stores, it is important to point out that a public showroom would function as a marketing and communication channel rather than a sales channel. As both companies have previously worked with pop-up stores this could be yet an additional alternative. Thus, there is a potential for a public showroom, given that it would function as a time limited solution. The brands displayed in the showroom would be exchanged frequently in order to maintain the consumers’ interest. Also, the companies would choose when they would prefer to promote their brands beyond ordinary, for instance when launching a new guest designer’s collection etcetera.

RQ 2: How could fashion e-retailers benefit from displaying their products in a public showroom?

A public showroom can be a way for the customer to discover a company’s brand and get greater knowledge and image of the brand, which in turn can increase the customer loyalty. The customer survey showed that there is a reluctance to purchase online. The main reasons were that the products might have to be returned and that there is no opportunity to try the product before purchase. A showroom where the product can be tried before purchase and where the customer can get personal service can possibly ease the online shopping procedure. Also, the process of purchasing several sizes
of one product in order to find the right size can be decreased or eliminated, which in turn would reduce returns. Furthermore, the brand awareness can be increased and new target groups can be reached. This is also a more cost efficient way of marketing a brand rather than through traditional advertising. Fashion e-retailers can decide which products to display and for how long they would like to be in the showroom for, which is beneficial for the brand as they will stay in charge of the activities that take place in the showroom. The showroom would function as a multi-channel but the company will still be totally in charge of their own brand.

6.2 Implications for the academic and practitioners

The findings from this research will contribute to the existing academic knowledge base within the area of e-commerce related to customers’ purchase decision of apparel. Primarily, the findings have strengthened the already existing theories within the research area. In addition to this, findings from the survey showed that there was not only an interest from customers to try a product in advance, but also a willingness to learn more about the brands they purchase. This should be acknowledged by fashion e-retailers as it shows that customers have an interest in getting to know and experiencing the brand more physically. Fashion e-retailers can use the information provided in order to gain knowledge and get an overview of alternative ways to communicate their brands through another channel than their website. The findings will also serve as a guideline for potential new fashion e-retailers. They will not only be able to gain understanding of the existing gap between fashion e-retailers and their consumers, but also how they can work to improve this issue. Furthermore, the customers’ level of satisfaction will hopefully increase since the implementation of a physical platform will bring fashion e-retailers closer to their customers.

6.3 Final words

Initially, the authors wanted to get an idea of how a public showroom would be perceived by fashion e-retailers and customers on the Swedish market. In retrospect, the customer survey could possibly have been planned differently in order to attain a more consistent outcome. It would have been interesting to find out whether there were any significant differences between men and women regarding their online shopping behavior. Furthermore, additional interviews with other fashion e-retailers could have been conducted in order to get a more thorough view of the Swedish online fashion e-retail landscape. Focus groups rather than in-depth interviews have also been considered as an alternative method. Also, as mentioned previously, the supervision from the Swedish School of Textiles has not been adequate, which is unfortunate.

The outcome of the research provided relevant information regarding how a public showroom could be implemented; a preferred solution being more temporary, much like a pop-up store. The authors feel that the theoretical framework has provided them with relevant and satisfactory information in order to proceed with the research questions. When searching for what had previously been done within this research area, there were not many scientific articles written about the subject in specific. Nonetheless, the frame of reference used for the background and theoretical framework was found relevant. Given the circumstances, the authors feel content with the overall outcome, and are optimistic towards further developing the business concept of a public showroom.

6.4 Implications for future research

A future research topic would be to investigate the logistic issue (i.e. transportation and delivery of goods) and how this could be included in the public showroom idea. Also, the survey research on Swedish consumers could with advantage be extended to Scandinavia and eventually Europe and the
world. Interviews could be conducted with larger international online fashion companies to examine if there is an interest in a public showroom amongst these.

Further research could also include other apparel industries for example golfing and sailing apparel as this is a totally different target group than the one that fashion companies targets. As pop-up stores are now fairly frequent phenomena on the Swedish market, research on how these can increase brand awareness and how that would be a way of using public showrooms can be an interesting matter for future research. Another further research that is of interest is how the returns made by dissatisfied online customers is damaging the environment, as more transportation is required in order to ship the returned item between the customer and the company.

The target group for a public showroom is not obvious. Younger consumers are considered to be more affluent consumers with a large hedonic need. They are also a target group who are presumably interested in new and exciting ideas. However, it is believed that these consumers might be more independent in terms of knowing what they want. Therefore, a public showroom’s target audience can also be older men and women who are perhaps more reluctant to purchase fashion online. Spontaneously, it is hard to determine a specific target group based on the findings from this research. A more thorough market research is required in order to establish a more precise target.
References


Appendix 1: Interview questions

1. As your products are not represented in physical stores, how do you work on conveying the feeling of your internal brands?

2. Do you believe that your customers’ perceive the internal brands in the same way as they are internally in the company?

3. How do you work on retaining existing customers?

4. How do you work on attracting new customers?

5. Are returns a big issue for your company?

6. Do returns contribute to large costs for the company? (In terms of shipping, repackaging, new warehouse space etcetera.)

7. How do you follow-up returns (the reason for returning the product that the customer states on the return form), meaning what is done with the information about returned products given by customers?

8. How do you work with satisfying previously dissatisfied customers who have returned your products?

9. Can you see a difference in sales of internal brands compared to external brands that can be tried on in physical stores?

10. If the answer was yes on the previous question, can you see a connection?

11. Do you work differently in order to differentiate internal brands compared to external brands that are also represented in physical stores (for example more clear product presentations)?

12. Do you believe that your internal brands are exposed to their full potential through your website, or do you wish at any time that you could expose your products tangibly in order to strengthen your brand image/position on the market?

13. Do you believe that a public showroom, where you have the opportunity to expose your products would be beneficial for the company (for example with increased sales, stronger brand, less returns)?

14. If the opportunity was given, is there an interest in exposing your internal brands in a public showroom?
## Appendix 2: Survey form

### Online shopping behavior

1. **Gender?**
   - Male
   - Female

2. **Age?**
   - Under 20
   - 21-25
   - 26-30
   - 31-35
   - 36-40
   - 41+

3. **How often do you purchase clothes and shoes online every month?**
   - 1-3 times
   - 4-7 times
   - More than 8 times
   - Do not purchase clothes and shoes online

4. **From which country do you normally purchase clothes and shoes? Choose one or more alternatives:**
   - Sweden
   - Other Scandinavian countries
   - Europe
   - The US
   - Other
   - Do not purchase clothes and shoes online

5. **Which product do you consider to be the easiest to purchase online? Choose one or more alternatives:**
   - Shoes
   - Accessories (including handbags and sunglasses)
   - Underwear and swimwear
   - Bottoms (jeans, pants, skirts)
   - Dresses
   - Tops (shirts, sleeveless, short sleeve, long sleeve)
   - Do not purchase clothes and shoes online
# Online shopping behavior

6. Are the brands you purchase often web exclusive (i.e. the brands can only be purchased online and not in physical stores)?

- Yes
- No
- Not sure
- Do not purchase clothes and shoes online

7. If the brand is not web exclusive do you normally try the product in advance in a physical store?

- Yes
- No
- Only purchase web exclusive brands
- Do not purchase clothes and shoes online

8. Why do you choose to purchase the product online when you could purchase it in a physical store? Choose one or more alternatives:

- [ ] Lower price
- [ ] More convenient
- [ ] Wider assortment
- [ ] Only purchase web exclusive brands
- [ ] Do not purchase clothes and shoes online
- Other (please specify)

9. Why do you choose to not purchase clothes and shoes online? Choose one or more alternatives:

- [ ] I might have to return the item (awkward, costly, time consuming)
- [ ] The product might not fit me (wrong size/fit)
- [ ] The quality and color might be different from what I expected
- [ ] Not applicable
- Other (please specify)

10. If there was a possibility to do so, would you take your time to try the product on before purchase (if the product could only be purchased online)?

- Yes
- No
- Not sure
# Online shopping behavior

11. If you answered YES on question 10, why? Choose one or more alternatives:

- [ ] Positive to touch, try and feel a product before purchase
- [ ] Positive to get a better brand feeling and knowledge about the brand I purchase
- [ ] Positive for new brands that I am unfamiliar with
- [ ] Not applicable

Other (please specify)

12. If you answered NO on question 10, why? Choose one or more alternatives:

- [ ] Time consuming
- [ ] Awkward
- [ ] Unnecessary
- [ ] Not applicable

Other (please specify)

13. If there was a possibility to try a product before purchase, would the type of brand matter to you? Choose one or more alternatives:

- [ ] Yes, if it was an expensive brand
- [ ] Yes, if it was a cheap brand
- [ ] Yes, if it was an unusual brand I had never heard of
- [ ] Yes, if it was a foreign brand
- [ ] No, it would not matter
- [ ] Not applicable

14. From which web stores do you normally buy from?

- [ ] Do not purchase clothes and shoes online
- [ ] Please specify one or more web stores
Appendix 3: Survey results

Q4: From which country do you normally purchase clothes and shoes?

- Sweden: 52%
- Other Scandinavian countries: 23%
- Europe: 12%
- The US: 9%
- Other: 1%
- Do not purchase: 3%

Figure 11 Question 4

Q6: Are the brands you purchase often web exclusive?

- Yes: 52%
- No: 17%
- Not sure: 15%
- Do not purchase: 16%

Figure 12 Question 6

Q7: If the brand is not web exclusive, do you normally try the product in advance in a physical store?

- Yes: 54%
- No: 25%
- Only purchase web exclusive: 6%
- Do not purchase: 15%

Figure 13 Question 7
Q8: Why do you choose to purchase the product online when you could purchase it in a physical store?

- Lower price: 29%
- More convenient: 30%
- Wider assortment: 25%
- Only purchase web exclusive: 12%
- Do not purchase: 4%

Figure 14 Question 8