

Showroom, the Future of Online Fashion Retailing

Enhancing the online shopping experience

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The following thesis has been conducted for the Master programme in textile management with specialization fashion management degree programme at the Swedish School of Textiles Sweden. We declare that this thesis research is our own work. The empirical data and other references have been used with necessary acknowledgements.

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ABSTRACT

Purpose: Currently, online shopping poses the challenge of offering adequate physical evaluation of apparel items prior to purchasing them. The purpose of this thesis study is to understand how a showroom for the display of apparel samples of online products and brands can impact a consumer's online decision-making by offering a platform to try and evaluate apparel products. It further aims to find out if a showroom can possibly result in reduced return rates as the result of product satisfaction.

Findings: The findings reveal that a showroom for the display and testing of online-based apparel products aids consumers in the evaluation process of fashion products prior to buying them online. The nature of product as well as colour and fabric attributes can affect how useful the showroom is in the evaluation process. A showroom can reduce the gap between the expectations and the actual performances of fashion products by offering sufficient complementary information of the feeling, fabric texture, quality and fit. This in turn reduces the dissatisfaction that may lead to returning the purchased apparel.

Practical implications: The findings of this research indicate showroom as a feasible way of reducing returns related to online apparel purchase within the Swedish market. Consequently the study suggests a new structure to the online businesses, whereby consumers' e-satisfaction can be increased consequently resulting in reduced returns. Evidence suggests that a showroom is an effective way of reducing returns of fashion products that are complex to evaluate online.

Originality/value: Issues with returns in the apparel industry amongst other industries is no new knowledge. It is commonly researched within the scope of logistics and more specifically return management. This research takes a marketing and retail approach and aims at finding if a showroom can have a positive impact on reducing returns.

Keywords: showroom, online shopping, return, e-satisfaction, e-trust, e-service quality online purchase decision-making, product evaluation

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1 INTRODUCTION

The first introductory chapter starts with an overall outlook and background of the online retail industry. This is followed by a problem discussion with reference to previous research within the research field. Upon this discussion, the research purpose and questions are presented followed by the delimitations of the study after which definitions of relevant and re-occurring concepts are presented.

1.1 BACKGROUND

Today e-commerce is a natural part of Scandinavian shopping habit. In search for products and services, the Internet is being used to gather information, gain inspiration or make purchases directly from online retailers. In fashion, more and more retailers are developing web- and mobile platforms to enhance their sales. In fact some of these fashion companies would simply not be in existence without these kinds of platforms. However, e-commerce is not without disputes. Besides such benefits as 24/7 availability, convenience and variety, the problem of evaluation of products and services imposed by the physical distance between retailers and buyers is ineligious. (Hjort, 2012; E-barometern, 2012a; Weitz, 2010)

In major industries especially fashion, e-shopping imposes problems with security in many areas such as payment issues, product fitting and inability to see, try or test out products before purchase. The improvements of secure payment systems through companies like Paypal, Klarna and Verified by Visa, have resulted in a higher willingness to purchase online. (Nilsson, 2013) Fitting and trial issues are currently still being improved. E-shopping sites have invested largely on several tools and solutions. For example, the online fashion retailer Nelly.com has incorporated a catwalk solution where models can be watched in a video. There is also a size judgement system where customers can give remarks on how they experienced the size of the items after purchase. The fashion giant H&M experimented with their Virtual Dressing Room, which offered consumers the ability to try clothes on models with customizable features, such as skin colour, hair style and size. (Detailed Guidance, 2014) Besides these, more and more companies are offering flexible return policies such as free returns

and return periods of up to 30 days as a motivational factor for purchases. (Ferguson, Guide and Souza, 2006; Hjort, 2013; King and Dennis, 2003; Lantz and Hjort, 2013)

It is evident that customers need to feel secure in their purchase decisions when shopping online. However, in as much as many companies may experience lenient return policies as a barrier remover for online purchase decisions, this very barrier remover results in other problems such as high return rates. (Hjort and Lantz, 2012) High return rates results in secondary problems in areas such as logistics handling, higher costs, difficulties in planning and estimation profit margins. The German online fashion retailer Zalando experiences a rerun rate of 50% during 2013. (MTV, 2014) Nelly.com experiences a return rate of about 30% on party dresses (Hjort and Lantz, 2012). According to Ingela Larsson, the CEO of Nilson Group, an enormous shoe retailer with e-channels, handling returns is the most important strategic question in their business as 20 - 30 % of sales are being returned constantly (E-barometern, 2012b). In addition to high return rates and costs, the problems of organized online return fraud such as price manipulating and borrowing clothes imposes a huge cost that retailers have to deal with. (Ebay, 2013; King and Dennis, 2003)

Companies offering these lenient return policies seem to have accepted the costs around returns by simply incorporating them into market costs (BBC, 2013). This is not so strange even from an academic perspective as existing literature has touched upon return costs as a necessary evil and thus focusing on efficient reverse logistics systems, rather than researching how to reduce these returns (Hjort, 2013). Other companies see benefits in online returns for example in the ability to keep record and analyse them. This enables them to make improvements in their offerings to increase customer satisfaction. (Canada Post, 2013) Some e-commerce companies even handle return issues by making use of big data to predict returns and customer satisfaction thus gaining some control over the matter. (BBC, 2013)

1.2 PROBLEM STATEMENT

High returns are not solely a problem imposed on e-commerce retailers but also consumers. A large per cent of returns arise due to dissatisfaction from fitting, appearance and colour disparity, all which occur from the inability of online platforms to deliver real life experience of purchased items. (Monsuwé, Dellaert and Ruyter, 2014; Ofek, Katona and Sarvary, 2010; Park and Stoel, 2002; E-barometern, 2012a). In

a research performed by the Swedish organisation for e-commerce measures, it was evident that 68% of Swedes who do not buy clothes online would prefer to see and try clothes prior to purchasing them (E-barometern, 2014a).

Consumers are finding their way around this challenge by using brick and mortar stores to add real life value to online available products. This process is commonly known as showrooming. (Freeman, 2014; Ofek et. al, 2010) Customers can later make purchases from the e-retailer that offers the best price and there are many mobile apps such as PriceRunner that aid this process on the go. Here, unless the consumer changes his mind, he is bound to be satisfied and therefore does not bother about return policies when a purchase decision is made. Brick and mortar retailers on the other hand provide the service and information needed but do not fully gain the financial benefits of their provided service. (Warman, 2013)

With online shopping growing in popularity it becomes evident that planners, developers and retailers are going to have to work harder to attract people into town centres and retail developments. Making the Internet more tangible is a challenge that many companies are trying to meet. (Warman, 2013) The idea that retail is either physical or digital (in-store or online) is a factor being tackled and debated upon yet Kutwaroo (2013) suggests that in fact the industry needs to rather move towards a physical and digital mind-set as seen in an omni-channel approach. This is where the thought of shops as showrooms comes in. In this setting, shops themselves may consider serving generations of customers who may want to visit a store in order to see and try the products yet ultimately in the end transact online (Freeman, 2014; Warman, 2013). This consequently projects the need to offer an integrated, converged approach that entails offering customers the ability to for example start a purchase from their home, progress it on the move and finalize it in-store. (Skeldon, 2013; Gallino and Moreno, 2012)

eBay, for example, launched a five-day experiment store in Dean Street, London back in 2011. In this store, each product had a QR code that could be scanned by each shopper to automatically direct him or her to the eBay online payment section (Wallop, 2011). Another similar example is luxury brand, Burberry that makes use of sofas and sales assistants with iPads in its flagship store on Regent Street instead of a traditional checkout system. This enables customers to be able to make their purchases while

sitting on the sofa as the sales assistant scans their items to take the final payment via the tablet (Patel, 2013).

Overall, there appears to be both beneficial and less advantageous implications attached to online retailing, even though traditional brick and mortar is not without flaws either. It is evident that several large and global fashion enterprises have started realizing the opportunity to combine and merge the best of the two worlds to create an integrated retail platform in which a physical store could be used as a showroom for shoppers to try and test out products to enable purchase decision-making (Glenapp, 2013; Avery, Steenburgh and Deighton, 2012). It becomes therefore interesting to know how a showroom impacts consumer behaviour during online shopping and the consequent impact on the return of purchased goods. With this being said, the following subsection introduces the research problem to be studied in this thesis research.

1.3 RESEARCH PURPOSE

Previous research has established that there exists an interest in a public showroom both amongst Swedish consumers and fashion e-retailers (Ljungström and Spångberg, 2013). Inspired by these findings, the purpose of this study is to develop a further understanding of whether and how a showroom can concretely enhance a Swedish based consumer's purchase decision-making during online shopping. It further aims to find out if a showroom can possibly result in reduced return rates as the result of product satisfaction. The purpose is broken down and divided into the following research questions:

RQ1: How do consumers in Sweden evaluate fashion products online?

Reasoning: This question helps to begin with understanding the current nature of online shopping among Swedish consumers.

RQ2: What impact will a showroom have on fashion purchase decision-making during online shopping?

Reasoning: This question helps to see how the online shopping behaviour could be adjusted when given a showroom.

RQ3: How would a showroom influence returns in online shopping?

Reasoning: This question helps in seeing and understanding whether there truly is a relationship decision-making process in the showroom and return rates.

1.4 DELIMITATIONS

This research has been delineated to studying online shopping behaviour within the Swedish consumer context. The theory touches upon e-service quality, e-trust and e-satisfaction amongst several elements of e-loyalty in relation to online shopping. Within e-service quality however the study focuses on available online product evaluation tools and functions such as image, zoom, textual product description and catwalk videos solely used by consumers in product decision-making while shopping for products online. The concept of customer service in terms of personnel assistance is not studied more in depth within the scope of this paper.

Indeed there are several factors affecting returns during online shopping, as is indicated in the theory section of this paper, nevertheless emphasis has been placed on product related reasons and more specifically product performance e.g. fit, size, colour, fabric etc.

The focus group workshops for the study were conducted in Borås and Göteborg due to the convenience and nearness of the cities in respect to the researchers and their intention to set up a showroom venture within this geographical area. Further participants were female in this case as the session included a product evaluation exercise in which party dresses were to be tested. Party dresses were chosen due secondary research depicting them as representing a product group with a high return rate (Hjort, 2013).

1.5 DEFINITIONS

In order to allow for the reader to be able to follow and understand the different concepts discussed within this research work, the following section has been compiled to present the definitions of re-occurring and thus essential terminology.

Online shopping

Online shopping is the act of purchasing products from the Internet. According to Kim, Park & Pookulangara (2006), it comes with the main benefit of offering high

convenience and variety of merchandise from around the globe. It offers a 24/7 accessibility and enables a large amount of items and assortment to be displayed without great increases in costs (Glenapp, 2013).

Showroom

A showroom is a room where merchandise is exhibited for sale or where samples are displayed. It enables the possibility to physically test, try and evaluate products. In this research, a public showroom represents a company's internal brands. It functions as a sales channel as well as a communication channel in which online based brands lease space in the public showroom to display their collections for consumers to test and try. The aim is to increase customers' willingness to purchase online fashion products. (Ljungström and Spångberg, 2013; Freeman, 2014; Warman, 2013)

Showrooming

The act of using a brick and mortar store for physically evaluating products to be later purchased through an online channel. (Freeman, 2014; Warman, 2013; Ofek et. al, 2010)

Omnichannel retailing

Omnichannel retailing implies that customers move freely between the online laptops, mobile devices, and physical store, all given a single transaction process. In contrast, in multichannel retailing there is a clear division between the physical and online store. As the channels are managed fluidly together in omnichannel retailing, the perceive interaction is not with the channel but with the brand. (Rosenblum & Kilcourse, 2013)

Apparel and fashion products

In this study the words fashion items and apparel products are used interchangeably throughout yet they bear the same meaning. They all imply inner or outerwear in the form of clothing, accessories and shoes. (Merriam-Webster, n.d.; Collins Dictionary, n.d.)

E-trust

E-trust has to do with security and perceived risk when transacting online. This risk can occur either during payment and when signing up with personal information. In close relation to this e-brand trust is seen in the perceived risk and uncertainty with an online product, as it cannot be touched, felt or smelt. (Gommans, Krishnan and Scheffold, 2001)

E-service quality

The extent to which a website facilitates efficient and effective shopping purchasing and delivery. Generally e-service quality has to do with the quality of website in terms of customer service, content, structure, use, information availability and search function. (Zeithaml, Parasuraman and Malhotra, 2000)

E-satisfaction

E-satisfaction is defined as the contentment of the customer with respect to his or her prior purchasing experience in terms of e-service quality and product performance. In addition to this, it is the extent to which the product performance matches the expectations of the consumer when comparing the online versus physical evaluation of a product. (Cho 2002; Kincase, Williams and Chen-Yu; Oliver 1980)

1.6 GENERAL LAYOUT

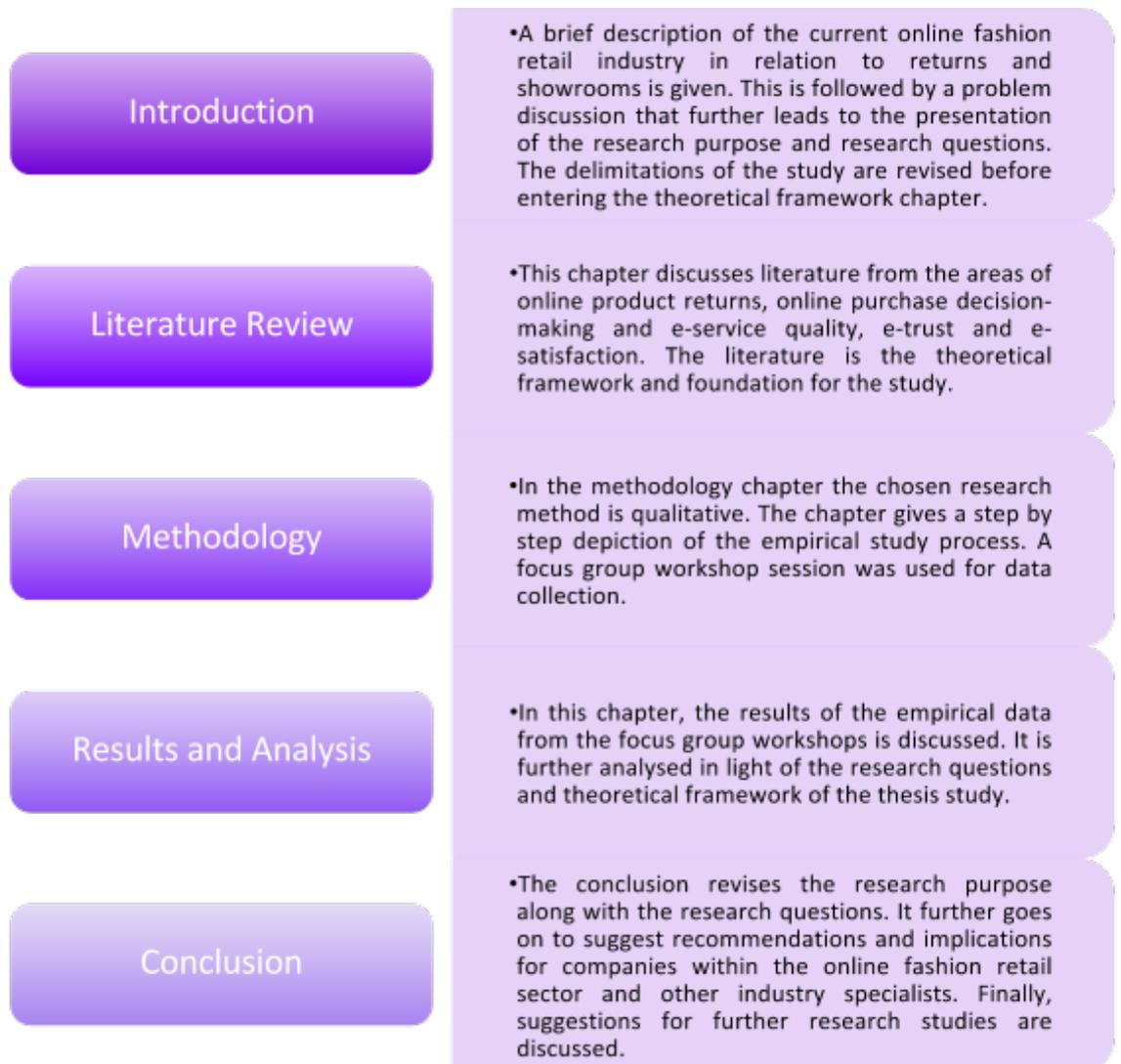


FIGURE 1: THESIS STRUCTURE

2 LITERATURE REVIEW

In line with the research purpose of the thesis, the following chapter discusses literature centred on apparel returns, online decision-making and e-trust, e-service quality and e-satisfaction in connection to purchase decision-making. Together the theoretical interactions of these conceptual underpinnings are used to form the theoretical framework for the empirical part of this thesis work.

2.1 APPAREL RETURNS

Apparel returns refers to the goods that are returned to the retailer via different channels. In e-commerce this is usually done after the goods have been paid for and delivered. There are many reasons for apparel returns including both product-related and non-product related reasons. Regarding product related reasons, goods are returned for defective reasons, dissatisfaction or the regret of the buyer. (Rogers and Timber-Lambke, 1999) In e-commerce quality, size and fit are undeniably the major non-defective reasons for returns in e-commerce (Hjort, 2013). Non-defective returns involve goods returned for other reasons than failure in function or claims of failure in function (Rogers and Timber-Lambke, 1999).

In a research performed with e-shoppers on the Swedish online retailer Nelly.com, it was shown that customers in Sweden, Norway, Denmark and Finland returned apparel majorly due to wrong size or bad quality. (Hjort, 2013)

Return reason	Sweden	Norway	Denmark	Finland
Size	33%	38%	35%	39%
Late delivery	0,2%	0,4%	0,2%	0,3%
Quality	40%	43%	39%	50%
Wrong delivery	3%	4%	4%	2%
Defect	3%	2%	3%	1%
Other	4%	5%	9%	3%
Not collected	18%	8%	9%	5%

FIGURE 2:REASONS FOR RETURNS, HJORT 2013

It was also shown how the reasons for return differed depending on the product group. As seen in the table below, reasons for returns in merely all product groups were due to size and quality with party dresses, shoes and trousers topping the list. (Hjort, 2013)

Product group	Size	Late delivery	Quality	Wrong delivery	Defect	Other	Not collected
Party dresses	40%	0,3%	44%	2%	3%	4%	7%
Shoes	40%	0,2%	35%	4%	5%	4%	12%
Dresses	32%	0,2%	50%*	2%	2%	4%	10%
Bikinis	14%	0,3%	45%	3%	3%	5%	29%
Jeans	20%	0,2%	29%	5%	2%	4%	40%*
Top	12%	0,2%	47%	4%	7%*	5%	24%
Jumpers, sweaters	32%	0,3%	50%*	3%	1%	6%	8%
Jackets & coats	31%	0,2%	44%	4%	2%	5%	15%
Underwear	30%	0,2%	49%	3%	2%	4%	13%
Jewellery	35%	0,3%	33%	4%	2%	4%	22%
Trousers & Shorts	50%*	0,1%	33%	3%	2%	4%	8%
T-shirts	19%	0,3%	43%	3%	3%	7%	26%
Other accessories	37%	0,2%	43%	3%	2%	4%	10%
Bra & top	34%	0,3%	33%	4%	3%	5%	21%
Leggings & Body's	31%	0,3%	44%	2%	4%	4%	16%

FIGURE 3: REASONS FOR RETURNS IN CATEGORIES (HJORT, 2013)

Besides these reasons, there are other non-product related reasons. The lenient return policy offered by e-retailers is commonly regarded as a main reason for high return rates. (Ferguson et al., 2006; Hjort, 2013; King and Dennis, 2003; Lantz and Hjort, 2013) These lenient return policies commonly occur in the form of free delivery and free return. The Distance Selling Directive (97/7/EC) also gives the customer the right to cancel an order within 7 days of purchase without complaint or penalty from the retailer (Europa, 2014). Lantz and Hjort (2013) showed that delivery and free returns increased the probability of returning purchased apparel. They also argued that in highly competitive markets, companies are more or less forced to apply lenient return policies as their competitors do the same. (Lantz and Hjort, 2013) Hjort (2013) makes references to how these lenient return policies reduce the risk of distance buying while strengthening competitiveness and increasing customer loyalty. King and Dennis (2003) consequently argue that a return policy gives the customer some allowance to postpone their purchase decision till when they have gained some experience with the brand.

De-shopping is another concept that is commonly brought up by researchers within the topic of returns. It refers to the deliberate return of goods for reasons other than actual faults in the product; in its pure form premeditated prior to and during the consumption experience. In effect this means buying something with no intention of keeping it. (King and Dennis, 2003) Piron and Young (2000) called this behaviour retail borrowing. They argued that financial inability to maintain an individual's personal image was found to

trigger retail borrowing.

2.2 ONLINE DECISION-MAKING FOR APPAREL PRODUCTS

Bearing in mind the definition and main reasons for apparel returns, the following subsection goes into understanding consumer online decision-making for apparel products in the first place.

2.2.1 *THE NATURE OF ONLINE SHOPPING*

Online shopping comes with the main benefits of offering high convenience and variety of merchandise (Kim et al., 2006). The Internet offers the key advantage of shopping the globe. With this, a greater amount of items and assortment can be displayed without great increases in costs. Furthermore, online shopping is not restricted to opening hours but rather accessible around-the-clock (Glenapp, 2013)

Yet the greatest challenge faced by Internet shoppers is that they are not able to gain the same experience as when shopping the traditional way in a brick and mortar setting. They lack elements such as interacting with a salesperson, feeling the shop atmosphere, and touching, testing or trying the clothes out (Monswé, Dellaert and Ruyter, 2014).

Perceived risks and uncertainty is a frequent research topic within in-home shopping literature. These risks are quite often identified as social or psychological risks such as concerns with acceptance and conforming with a certain group; economic risks such as concerns for possible financial loss; performance risks in regards to the durability of a garment; and physical risks concerning bodily comfort, discomfort or appearance. (Park and Stoel, 2002) While shopping online, consumers may be uncertain about an unfamiliar brand name. In the pursuit to reduce the amount of perceived risk, consumers tend to gather information to decrease uncertainty and assess consequences. (Park and Stoel, 2002)

2.2.2 ONLINE PRODUCT EVALUATION

Product presentation is suggested to be the most important evaluative factor for online apparel stores. An analysis of the ten most used elements reveals that product image zooming and 3D are essential and expected as a minimum requirement in apparel websites as they help with visualizing and imagining the products as well as assisting

the buying decision. Further, catwalk videos encourage the consumers to buy along with creating a close projection of a real life shopping experience. Nonetheless, catwalk videos have been proven to be enjoyable rather than essential, making the viewer more confident and happy towards the product in question. (Kawaf, 2012)

Greatly taken for granted are the web layout and search facilities that in fact are important in influencing shoppers' desire to visit the website. Consistent with this Dawson and Kim (2009) state that the average online shopper tends to view a website for about 30 seconds before deciding whether to view the products or click away. Thus it can be established that indeed website layout and presentation play a crucial role in attracting consumers' attention. In fact poor layout and bad search facilities tend to have a negative effect on consumers that is much greater than the positive effects that high quality layout and search facilities yield. (Kawaf, 2012)

According to research on the shopping habits of the adult population of Swedish consumers, about 50% do not purchase clothing online. As earlier mentioned, 68% of them attribute this to the desire of wanting to see and try the apparel items prior to purchasing them. Every third of these 50% think that online purchasing will result in inconvenient returns if the item does not fit. The same number of people describe that the picture of the merchandise online does not fully justify the look of the actual clothes in real life. (E-barometern, 2012a)

While shopping at a physical store, labels and hangtags are useful for communicating to consumers and enabling them in making purchase decisions. These tags normally state information such as fibre content to help shoppers identify the composition of the product. Size information helps in evaluating fit while care instructions are important for consumers to know how to maintain ready-to-wear apparel. (Park and Stoel, 2002)

As a whole, while shopping, consumers seek information on style, price, colour, fibre content, garment care, fit, and brand or store name. According to prior research, all these factors are identified as important to shoppers in all formats, whether through labels or an online product description. Nonetheless as online consumers do not have the opportunity to physically examine garments or labels prior to purchase, they rely on the available online information about the merchandise. (Park and Stoel, 2002)

Prior evidence from a qualitative study found that Internet shoppers on apparel websites

are most interested in written information on fibre content and laundry instructions. Moreover, these studies suggest that label and hangtag information containing price, fibre content, garment care and brand or store information is important to shoppers in all formats. The shoppers also seek customer service information and security information on return policies while viewing websites. They require multiple ways to contact the merchant and want assistance with transactions. (Then and DeLong, 1999)

With an understanding of the online decision-making process of consumers, the following subsection draws a link to a showroom and its influence on the decision-making process.

2.3 SHOWROOM AS A FACILITATOR OF ONLINE SHOPPING

Faced with the challenge of holistically presenting apparel products to consumers, several online businesses have taken to set up temporary pop-up shops as a means of testing offline presence. This is a venture that has been explored by companies such as Net-a-Porter that has launched several pop-up shops in Paris, London, New York, Berlin and Sydney to allow for browsing experience of luxury products (The Business of Fashion 2012). In other words, they are using the offline to enhance the online customer journey. Showroom can therefore be seen to take the role of facilitating online shopping as it enhances the holistic presentation of an apparel store in the way that a website cannot do. (Glenapp, 2013; Chalcraft, 2012)

According to a previous definition used by Ljungström and Spångberg (2013) taken from Merriam-Webster (n.d), the definition a showroom is “a room where merchandise is exhibited for sale or where samples are displayed”. Within the same line of Ljungström and Spångberg’s (2013) research, a public showroom represents a company’s internal brands. However, it differs in the sense that it functions as a sales channel as well as a communication channel. The aim is to increase customers’ willingness to purchase online fashion products. This is facilitated through the possibility of using the showroom to physically test, try and evaluate products. Consumers can then browse for these products through the use of computers or tablets that will direct them to the e-retailers website. Upon checking out and purchasing any product, the items will be directly delivered to the customer’s home. The idea for the showroom business concept is for companies to be able to lease space in the public showroom to display their collections for consumers to test and try. (Ljungström and

Spångberg, 2013, p. 4)

Some retailers capitalize on both online and offline channels by pursuing a multi- or omni-channel strategy in which they market through more than one channel (Seock and Norton, 2007). In some cases, this implies having greater store capacity to properly showcase the full set of product models and sizes as well as the installation of special equipment (such as sound rooms) to enhance the trial experience. (Binder, 2014; Ofek, Katona and Sarvary, 2010)

In some cases, physical display of products can also be in the form of a pop-up store, which make brands and products available for a limited time period and generally in smaller venues. They are designed to be open from a few days to a year and may not necessarily sell products in the location but rather offer sample pieces of items. These kind of stores are also generally set up with the intention of enabling tangible, physical and interactive experiences that encourage consumers to interact face-to-face with a brand. (Kim, Fiore, Niehm and Jeong, 2010)

According to Ofek et al. (2010) one of the primary reasons consumers seek to combine online shopping with shopping in a physical store is that ultimately they prefer to “touch and feel” products prior to purchase; and also explicitly voice concern over returns if they don’t make the trip to the store. In doing this, they may choose in most cases to engage in online product research followed by offline purchase (Seock and Norton, 2007). This kind of behaviour pattern is particularly common for consumers with technology anxiety and high purchase risk perceptions. Moreover, there exists preference for brick and mortar shopping especially in the case of apparel and fashion items also characterized as being “high-touch” by nature. They reflect a greater individual differentiation in design as seen in the fabric attributes and fit. (Dholakia Kahn, Reeves, Rindfleisch, Stewart, and Taylor, 2010; Binder, 2014)

2.4 FACTORS OF ONLINE DECISION-MAKING

When studying shopping behavior and purchase decision-making online, e-loyalty among other concepts is quite frequently referred to. Anderson and Srinivasan (2003) define e-loyalty as “the customer’s favourable attitude toward an electronic business resulting in repeat buying behaviour”.

In relationship with e-loyalty e-trust, e-service quality and e-satisfaction are consistently discussed in literature. For example e-satisfaction is defined by Anderson and Srinivasan (2003) as “the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm”. E-trust and e-service quality are about providing quality customer support, on-time delivery, compelling product presentations, convenient and reasonably priced shipping and handling, and clear and trustworthy privacy policies. (Gommans et.al, 2001; Reichheld 2000) However as e-loyalty is not a part of the research problem of the thesis, the following research essentially studies e-trust, e-service quality and e-satisfaction as independent factors from e-loyalty.

2.4.1 E-TRUST AND E- SERVICE QUALITY

E-service quality, e-quality and SERVQUAL are commonly used within the context of online quality. E-service quality is defined as the consumers' overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual marketplace. (Santos, 2003; Minjeong, Jung-Hwan and Sharon, 2006) It is also defined as the extent to which website facilitates efficient and effective shopping purchasing and delivery (Zeithaml, Parasuraman and Malhotra, 2000) Generally e-service quality has to do with the quality of website in terms of customer service, content, structure, use, information availability and search function. SERVQUAL, which is a scale generally, used to measure online quality involves measuring reliability, responsiveness, ease of use, access, attentiveness and credibility. (Yang, 2001; Lin and Sun, 2009; Ribbink et. Al, 2004)

E-trust on the other hand has a lot to do with security and perceived risk when transacting online (Gommans, Krishman and Scheffold, 2001). This risk can occur either during payment and when signing up with personal information. However brand trust also plays a role in reducing uncertainty with the product, as it cannot be touched, felt or smelt. (Gommans et.al, 2001) Thus if a website manages to uphold a high level of customers service, proper search function and information availability, e-trust will be experienced. Horppu, Kuivalainen, Tarkiainen and Ellonen (2008) find that there is a positive linkage between website satisfaction, website trust, and website loyalty in the development of the online brand relationship. In the case of apparel shopping, sufficient information and product viewing can contribute to the provision of a utilitarian

experience. This in turn has a positive effect on the perceived ease of use as well as the perceived overall quality of a website. (McCormick and Livett, 2012). Therefore a perception of high quality leads to satisfaction among customers.

2.4.2 E-SATISFACTION

E-satisfaction which Anderson and Srinivasan (2003) define as “the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm” is one of them. E-satisfaction in theory is directly and positively related to e-loyalty meaning that where e-satisfaction prevails, e-loyalty also exists (Anderson and Srinivasan, 2003). However, the concept of e-satisfaction deriving, from existing theory on satisfaction are discussed more in detail in section 2.4.4. Furthermore, loyalty is determined in terms of brand satisfaction during the early phase of a consumer-brand relationship (Lin and Sun, 2009; Anderson and Srinivasan, 2003; Ribbink et.al, 2004; Horppu, Kuivalainen, Tarkiainen and Ellonen, 2008).

Literature on consumer product evaluation draws reference to studies on pre- and post-purchase product satisfaction. Most of the research within this topic reflects on the conceptual framework of Oliver (1980) whose work depicts that satisfaction results from the subjective comparison of an expected and experienced product attribute level. In this context, satisfaction is defined as the evaluation of the surprise inherent in a product purchase and/or consumption experience.

Given this definition, consumer satisfaction/dissatisfaction derives from two types of utility, namely psychic as seen in aesthetical appeal i.e. colour and styling, as well as physical as seen in product performance attributes i.e. quality and durability. (Williams, Kincade and Chen-Yu, 1999)

In order to clearly understand the satisfaction process, the definition of the concept of expectation is required. According to Oliver (1980) it is defined as consumer-defined probabilities of the occurrence of positive or negative events given the consumer engages in some behaviour. Expectations are quite generally derived from prior knowledge or exposure to an entity. They give a frame of reference upon which to make final judgments of a product or brand. The mental comparison of an actual state of nature to its anticipated probability is defined in literature as disconfirmation.

Disconfirmation does not occur until after product exposure (Oliver, 1981, 1980; Cadotte, Woodruff and Jenkins, 1987)

These are two types of dis confirmations: positive and negative. Positive disconfirmation takes place when a product or brand performance exceeds expectation while negative disconfirmation is when a product or brand performs below expectations. These mismatches are depicted in contrast theory in which expectation do not match actual performance (Cho, 2002).

Confirmation on the other hand is also a term used in the same field of study. This is quite often the word used to describe a state in which a consumer's expectation and the product or brand performance meet each other. (Cho, 2002; Williams, Kincade and Chen-Yu, 1999; Oliver, 1980)

Given the online context, disconfirmation/confirmation can only take place once apparel products have been delivered home to the customer. For this reason, consumers have to rely heavily on the ability of e-retailers to provide sufficient product information and vivid image display to enable product viewing. Through functions such as zoom and rotation, the user can gain great levels of control resulting in self-efficacy, which is consequently linked to awareness of efficiency and ease of use. (Kawaf, 2012) According to Park and Sullivan (2009) efficiency and ease of use can be viewed as key elements of a utilitarian online shopping experience.

Once achieved, product viewing that is vivid and interactive can yield noticeably higher levels of consumer satisfaction. Further, research by Anand (2007) suggests that e-satisfaction is the product of consumer perceptions of online convenience, merchandising, site design, and financial security – topics previously discussed.

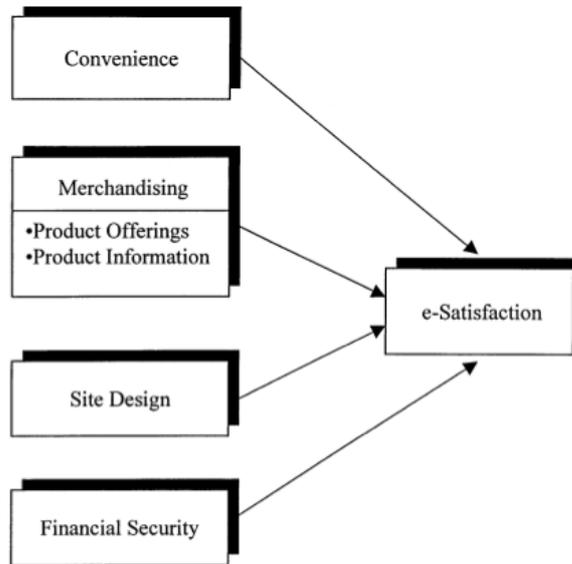


FIGURE 4: CONCEPTUAL MODEL OF E-SATISFACTION (ANAND, 2007)

Online convenience

Online convenience in this case refers to benefits associated with capitalizing on time and effort to shop. E-shopping opens an avenue to locate numerous retailers from the comfort of the consumers home with the additional benefits of filtering, sorting and comparing items among many other attributes. (Anand, 2007)

Merchandizing

Merchandizing within the online context has to generally do with factors associated with selling offerings online along with sufficient product information. This is viewed separate from aspects such as site design and shopping convenience. It has to do with access to rich data and wide product assortments. (Anand, 2007)

Website Design

Website design has to do with offering consumers an easy-to-navigate and user-friendly site in order to facilitate with simple search and fast presentation. Prior research has shown that uncluttered and neatly organized sites economize on the cognitive efforts consumers tend to use online in figuring out how to shop effectively. (Anand, 2007)

Security of Financial Transactions

The most highly ranked aspect in e-satisfaction has to do with credit-card security. Studies suggest that both negative and positive perceptions of financial security are in

direct relationship with the level of e-satisfaction that most consumer experience while shopping for items online. (Anand 2007)

3 METHODOLOGY

The following chapter describes the methodology used in the empirical part of the research. It addresses the research approach, research design and process and finally the reliability and validity of the empirical study.

3.1 RESEARCH APPROACH

To a great extent the research approach used in this study is deductive as it makes use of conceptual underpinnings from previous research. (Bryman, 2012) These conceptual underpinnings are then tested and discussed in the findings and analysis of the study.

3.2 RESEARCH DESIGN AND PROCESS

This research is designed to answer the research questions presented in the research purpose of this work. Thus the design focuses on answering the following questions:

RQ1: How do consumers in Sweden evaluate fashion products online?

RQ2: What impact will a showroom have on fashion purchase decision-making during online shopping?

RQ3: How would a showroom influence returns in online shopping?

Prior to the formulation of these research questions, academic literature was collected to gain previous understanding of theoretical underpinnings. The literature was chosen based on concepts around keywords: showroom, apparel returns, purchase decision-making online and e-loyalty. In addition to this, books, journals and articles around these concept areas were reviewed. Additionally the theoretical literature was chosen based on the sources being current and generally up to date i.e. mainly within the years 2000-2014 with the exception of grounded theories from before this time period as seen in theories on product return, e-service quality, e-trust and product satisfaction. Thereupon the research questions were formed within the theoretical framework.

The investigation of the research questions was done employing a focus group workshop among 19 participants representing three different groups: students from the

Swedish school of Textiles, Gothenburg School of Economics, and non-student participants from the working life.

Focus Group Workshop Data Collection Method

According to Morgan (1988) a focus group discussion enables the ability to explore topics, particularly when one is not interested in repeating the accepted wisdom in a given field (Morgan, 1988). It is a research method that is normally used for the collection and analysis of sociological and psychological insights derived from the perspective of a population. In this given study it is used to gain insight into the current consumer behaviour in online purchase decision. It does not intend to make generalizations and it is not necessarily a full representation into the behaviour of the entire Swedish population.

In addition to the aforementioned justifications, it has been particularly chosen for this given research with the purpose of elaborating, complementing and providing qualitative interpretation on the collected data from an evaluation exercise conducted during the beginning of the workshop session. Further, it capitalizes on the interactions within a group to elicit rich experiential data. (Kitzinger, 1995; Asbury, 1995; Merton, 1987)

The focus group was also referred to as a workshop due to the fact that a simulation exercise was performed during the session. The purpose of the exercise was to create a showroom experience within a prototyped environment where party dresses were presented to each and every participant to evaluate both online and physically. Thus, the workshop simulation is merely an imitation of real-life conditions to get as realistic behavioural results as possible (Merriam-Webster, n.d.).

Focus Group Sample

Kitzinger (1995) argues that a focus group should ideally consist of anything from 4-8 participants. On the other hand, though Asbury (1995) prescribes a group size of 6-12 people. In order to remain within these parameters, the size of each of the focus groups was intended to remain adjustably within these boundaries i.e. ca. 5-10 people. Prior to the focus group session, a pilot study was conducted in order to test, prepare and rehearse for the procedures of the actual data collection (Porta, 2008).

In the empirical work of this research, the focus group workshops were conducted in four sessions and involved altogether 19 participants. Participants were selected from three different sources and were therefore representative of three different groups. The first group consisted of students from the Swedish School of Textiles. This group was chosen based on the reasoning that with textile backgrounds, they expectedly have deeper insights into textiles and fashion and thus offer interesting input. In this case, two sessions were held at the school with three (3) people in one group (session 1) and six (6) in another (session 2). The second group was among students of the Gothenburg School of Economics and Commercial Law with six (6) participants (session 3). This group was chosen to gain understanding from a less fashion-biased perspective. The last group was among consumers within the working-life with four (4) members (session 4). This group was chosen to give a perspective from a non-student centred and somewhat “average” person with no specific criteria for background. For an overview of each session, see table 1.

The participants for each focus group session were recruited by means of a Facebook message or by approaching them in the school hallways as in the case of the sample from the Swedish School of Textiles and the Gothenburg School of economics and Commercial Law. In all cases though, participants were chosen selectively as females due to the fact that the focus group session involved evaluating women’s dresses. Dresses were chosen for this research because they were shown to be among the 3 most frequently returned pieces in apparel online shopping with a rate of about 20% (Hjort, 2013). The workshop started with interactivity through an evaluation exercise and later evolved into a semi-structured group interview. Each session took an estimated one-hour each.

Session #	1	2	3	4
Group Profile	Swedish School of Textiles	Swedish School of Textiles	Gothenburg School of Economics and Commercial Law	Consumers within the working life
Number of participants	3	6	6	4

TABLE 1: FOCUS GROUP PARTICIPANTS

The sequence

Upon entering into the workshop participants were introduced to the topic area of research by being informed that the research was purposed for understanding their general experience and opinions in relation to online shopping. They were also informed that the words evaluation/evaluating would be used a lot within the context of decision-making on whether or not to buy a product.

The simulation exercise was then held, which involved sitting participants in front of computers for 5 minutes and allowing them to check two (2) pre-selected and different party dresses from the H&M online store (see appendix B). The participants however were not made aware of the simulation in advance and the word “simulation” was never used in context with the exercise. Upon sitting by the computers, the website links were already open on the browsers for participants to just open and view. They were told to silently look at each item and evaluate them based on all the available information and website functions. In doing this they were also informed to factor out price and shipping out of their judgement of the product.

After this, a discussion ring was formed in order to discuss the evaluations and thoughts of each participant on the party dresses. The discussion questions had theoretical grounding and direct linkage to thesis research questions and are described thematically in appendix A. They were formulated in an open-ended format to allow room for in-depth responses.

Participants consented upon audio recording through the entire session while the researchers were typing notes. The next step was to inform each individual that they would have the chance to physically see, try and test out the same two dresses in two different sizes each. The dresses were kept within a hidden wall or a separate room where anyone willing would have the chance to even fit the products.

Once this was done, participants were seated together once again to openly discuss the questions and points listed on appendix I.

Data collection and processing

As previously mentioned, each session was audio recorded supported by typed computer notes written by both researchers alternately. In other words, while one researcher would be typing notes into their laptop, the other one would take the role of posing questions to participants. Their roles were being consistently switched with the intention of equal involvement of researchers in stirring the discussion as well as getting a balanced, diversified and trustworthy account of each session from the perspective of two researchers.

Later the notes and recordings were combined from each session for transcription purposes. Upon transcribing, codes were formulated based on re-occurring words and topics brought up by participants. Similar words and topics were classified into relevant categorical groups. These categories in turn were generated from theory. However, it is worth noting that each individual session was transcribed, coded and categorized separately after which the findings were then gathered together for comparing all four sessions with each other. The final findings are discussed in the *Findings and Analysis* chapter.

3.3 VALIDITY AND RELIABILITY OF RESEARCH

Qualitative research involves subjective interpretation of data. This was the case in the processing and analysing of the qualitative data from the focus group research. However, according to Given (2008) consistent involvement of two investigators in the research helps to work to increase the validity and trustworthiness of the research findings. This is because this technique allows for additional and diverse insights in processing and making sense of the data. Therefore to ensure validity, data transcriptions, codes and coding categories as well as the analyses were conducted

separately to be finally discussed and interpreted from different perspectives yet constantly referring back to research questions and theory.

When relating to focus groups more specifically, there are several challenges and threat to reliability that this research method carries along with it. For instance the formulation of distinct patterns of process in discussions tends to be complex to create as the dynamics in different groups changes from session to session within a focus group. Because of this, it was challenging for the researchers of this study to design relatively common conditions for the collection of data in the different groups (Flick 2009). Nonetheless to ensure as much structure as possible, pre-defined semi-structured discussion outline was formulated and used for every discussion.

A further threat to reliability is the nature of focus groups and the impact of a social setting on responses and uneven contribution to the discussion. In other words the pressure of conforming to group ideas and opinions might have impacted the kinds of answers given by participants in the following focus group workshop. Moreover, many researches like this deal with the challenge of balancing equal contribution of members within a group. What's more, the varying number of participants in each focus group workshop could also yield an unequal contribution i.e. the fewer the members, the more space for everyone to contribute and vice versa with larger groups. (Flick, 2009) To encourage openness and equal contribution throughout each session, the researchers acting as moderators would constantly made sure to always involve silent group

Another issue was that English was used as the discussion language in all sessions. However, to increase validity and reliability in responses, participants were already informed about this in the selection process in order to be fully aware of this. In addition, participants were also encouraged to use Swedish if and when they were unable to express something in English. Also clarification of terms and definition were made if and where necessary.

4 RESULTS AND ANALYSIS

This chapter presents and analyses the results of the focus group workshop sessions. They are presented in sequence of the research questions. Here, several parallels are drawn between the previous theoretical underpinnings and the results from the empirical findings.

RQ1: How do consumers in Sweden evaluate fashion products online?

According to previously referenced statistical data by E-barometern (2012) the lack of possibility to properly experience garments online is a reason why a significant number of Swedish consumers choose not to purchase apparel online.

Evaluating fashion products online

In the focus group sessions all participants were asked about their general means of evaluating fashion products online. Findings revealed that product reviews and website images along with zoom functionalities were essential in making decisions for most participants (see table 2). Another important factor among participants was the given product information on the website being shopped from such as fabric attributes were of great importance as mentioned. The participants made statements such as the following:

“I check material, zoom in to see texture, transparency, thickness...”

“I read what the fabric is containing and try to zoom in to get information about the fabric”

“I check information on fabric and pictures, the price. I check the fabric, what it says it's made of and the price also.”

“I use the model and picture to judge and reviews sometimes ...”

It is evident that these participants rely on the tools and functions on the website to make their decision. This is in line with the theory that product presentation is the most important evaluative factor for online apparel stores where product image and zooming are essential in assisting the buying decision. (Kawaf, 2012) Their responses are also in line with the theory that Internet shoppers on apparel websites are most interested in written information on fibre content and laundry instructions. (Then & DeLong, 1999)

According to theory, in the pursuit to reduce the amount of perceived risk, consumers tend to gather information to decrease uncertainty and assess consequences. (Park and Stoel, 2002). This shows that these participants are trying to minimize the risk of making the wrong purchase decision. Here, in the absence of the opportunity to physically examine garments or labels prior to purchase, they rely on the available online information about the merchandise. (Park and Stoel, 2002)

Findings further revealed that catwalk videos were also useful in evaluating garments yet this was not mentioned as frequently as image, zoom and product information availability. Kawaf (2012) states that catwalk videos have been proven to be enjoyable rather than essential, making the viewer more confident and happy towards the product in question.

According to the focus group research findings, in addition to making use of website evaluation tools, verification through information comparison gathered from comments and reviews of the products from other websites were also used as information complementation. One participant even explained reading through “don’t comments“ i.e. product reviews stating reasons why not to buy a particular product. This suggests that these participants do not take the website information at face value but rather seek out to further reduce the amount of perceived risk by gaining reassurance beyond what the brands website has to offer (Park and Stoel, 2002).

How do you generally evaluate online fashion products before you receive them?	
FACTORS	FREQUENCY #
Product comments and reviews	9
Product information on shopping website	7
Online image	6
Fabric	6
Zoom	4
Fit	3
Catwalk video	3

TABLE 2: EVALUATING ONLINE FASHION PRODUCTS

Evaluating fashion products online versus offline

According to the data gathered so far, there appears to be a need among participants to further verify and /or complement the product information from various channels and sources other than the brand website in the process of evaluating fashion products online (see table 3). With this there exists a desire to get a realistic and holistic picture of the products (Monsuwé, Dellaert, Ruyter, 2014; Park and Stoel, 2002). This was particularly pointed out in the focus group sessions by several participants who described their habit of browsing for products online and then finally physically testing them out offline in a retail store:

“I do my evaluation online, gain ideas and then go to the store.”

Nonetheless, findings revealed that, convenience is the main reason for online shopping. More specifically, the possibility to take one’s time and also the chance to filter through a large amount of assortment (Hjort, 2012; E-barometern, 2012a; Weitz, 2010; Kim et al., 2006; Gommans et.al, 2001; Anand, 2007):

“I can take my time, No stress, convenient.”

“It is convenient but quite boring.”

Moreover, they mentioned that unlike online stores, physical stores offer a store experience, with human interaction, the possibility for physical evaluation of products as well as personal assistance and customer service:

“When you got to the shop, you have someone helping. Would need assistance with styling.”

“I think it’s fun to go to different stores. You see people and you see things around the store and things that happen. Instead of sitting in front of computer for many hours. Of course it takes time to go to the shops but it’s more fun in real life.”

Furthermore, some participants mentioned that they got more inspiration at the store through product styling:

“Usually when you go to shopping and have this in a doll...How this is going together with this.”

All these factors were said to assist in making purchase decision-making easier and secure. A final interesting finding among two participants in agreement with one another was that compared to the online environment, offline shopping brings about impulsive purchasing:

“So sometimes I might be in love with the dress if I see it on the doll in the shop. I buy more when you go to the shop.”

How do you generally experience evaluating of fashion items online as opposed to within a physical store?	
FACTORS	FREQUENCY #
Online convenience	5
Disappointment with products	2
Large assortment online	2
More impulsive buys offline	2
Possibility to take time	2
Online browsing and offline purchase	2
Desire for store experience	2
Desire for sales assistance	2
Inspiration from store	2

TABLE 3: EVALUATING FASHION PRODUCTS ONLINE VS OFFLINE

RQ2: What impact will a showroom have on fashion purchase decision-making during online shopping?

Product Evaluation Exercise (online vs. offline)

An evaluation exercise was conducted during the focus group session. The exercise simulated an online shopping situation followed by a showroom environment. The aim was to study the research participants to see whether there was a difference in how they perceived and evaluated products in an online shopping context versus an offline

showroom context. In other words, we studied the accuracy of product expectancy prior to physically evaluating the products in a showroom. (Cho, 2002; Williams, Kincade and Chen-Yu, 1999; Oliver, 1981, 1980; Cadotte, Woodruff and Jenkins, 1987) In each focus group session participants were asked to give an account of their evaluations of sample dresses in two stages: first online and then physically in real life.

In the findings of this exercise, a majority of participants stated that the readily available online tools were sufficient in making product evaluation and thus making their purchase decisions. Nevertheless, the product evaluation exercise (see table 4) indicated slightly differing conclusions as upon physically evaluating the products, some of the participants expressed contradictorily to their earlier statement that fabric, fit, cut, colour and quality did not accurately match the expectations of what they had previously seen online (Cho, 2002). Upon trial these participants, were either more interested or less interested in some items.

“I didn’t expect the fabric to be so thick and heavy”

“The quality was a bit different it wasn’t about what I expected in the picture. The feel was different. It was... I don’t know if it was better or worse...”

Upon real life evaluation some disparity occurred. The disparities mainly occurred in fabric, quality, colour, cut, design and fit. Regarding the style as a whole, most participants knew what they wanted upon seeing the products online. The possibility to see the dress on a model as well as the zoom and 360 degree rotate function for seeing the products from different angles aided this decision. In evaluating dress A (see appendix B) disparities mainly occur in the fabric quality as well as design. Most participants liked it even less when discovering the quality was poorer in reality. This is where negative disconfirmation may have arrived if the participants had made purchase of this item and received it home before seeing the actual quality. A negative disconfirmation may have occurred, causing dissatisfaction and thus most likely return of the item. Most participants agreed that the black colour of the dress made was in fact easier to evaluate as opposed to dress B for which the pink colour was not exactly as expected by some participants. Besides the pink colour, the fabric was difficult for participants to pre judge prior to seeing it physically and in fact the major point of disparity. Almost all respondents didn’t expect the fabric to be as thick as it was. The cut and fit were also points of disparity.

The following statements are on dress A:

“I liked it even less the fabric was quite see through”

“I didn’t like the straps, didn’t really see the straps online, maybe if I looked closer I might have been able to see it... that and the fabric was even cheaper and it made it more cheap”

The following statements are on dress B:

“It was thicker, and fabric looked more expensive”

“I also think that the fabric was more thicker but I still would choose it”

“The colour and the cutting was lower”

“The pink one was a little different especially because of the pink, also how it fits. Kind of like little girl romantic, but this we can see I the picture”

The table 4 below summarizes whether the expectations of participants concerning the dresses was the same or different after physically sampling them.

DRESS A		DRESS B	
SAME	DIFFERS	SAME	SAME
4	13	14	5

TABLE 4: EXPECTATIONS TOWARDS DRESSES

In general, although there were points of disparity, these disparities seem to have little or no impact on the decision made online prior to seeing the products physically. The table 5 below shows product preference as a factor of evaluating both offline and online. This finding revealed rather trivial to the researchers of the study.

	DRESS A		DRESS B	
	ONLINE	OFFLINE	ONLINE	OFFLINE
Interested	1	1	0	0
Not Interested	18	17	20	20

TABLE 5: PRODUCT PREFERENCES

Moreover, most of the participants explained that none of the dresses was their style in the first place while only three participants indicated willingness to consider purchasing

the dress. This could have impacted the statement of participants in the sense that they had a strong sense of reluctance towards the products from the very beginning:

“Maybe because it is not my style. But maybe if it was something else I would have been more inspired. I think the same way as I saw it online. But maybe because it’s not my style from the beginning. If it was some other dress I like, and maybe if I see it in the room then maybe.”

“ It was the same here. It was not my style from the beginning.”

Product Evaluation in a Showroom

Following the evaluation exercise, a discussion was held. In line with the simulation exercise, participants were asked to assume there was a showroom in the centre of their city where they could see, try and evaluate online fashion sample pieces prior to purchasing them online. Upon this assumption, they were asked whether they would make use of the showroom and how. All but one participant from all the focus group agreed that they would make use of the showroom. For those who agreed the primary reason was the possibility to try out clothes and to make product evaluation simpler prior to purchasing online (Glenapp, 2013; Chalcraft, 2012):

With some other commonly mentioned factors among focus groups participants was convenience in store location being central. Here one can see a desire for the reduction of extra efforts in having to visit a physical store. A central location would imply minimal effort and simplicity in conducting online shopping just as is one of the core benefits of e-shopping in the first place. (Hjort, 2012; E-barometern, 2012a; Weitz, 2010; Anand, 2007)

Participants further mentioned the possibility to gain inspiration, gaining store experience, the possibility to receive/collect products upon arrival of delivery, the availability of a unique assortment (Kim, Park and Pookulangara 2006; Anand, 2007), the enhancement of product and transactional trust (Anand 2007), cheap online prices (Glenapp, 2013) among several other factors (see table 6). Some of their statements were as follows:

“It depends what this showroom is. If they give something more. If they’ve selected some special brands that I really like. If I get more service and help. Then that way, If you get internet price.”

“You can try, if you don’t like it you just leave it there. It’s just easy. If it’s the same price online because this is the reason we can wait.”

“If it’s an inspiring place. With a coffee corner. Something you can always check...the latest. Convenient location.”

An interesting finding was the kind of products and brands that the participants found suitable to have in a showroom namely investment/expensive brands as well as difficult to shop online products also presented in theory as being “high-touch”. (Dholakia Kahn, Reeves, Rindfleisch, Stewart, and Taylor, 2010; Binder, 2014) They expressed how they won’t put effort into try cheap clothes because there is only little to loose if it goes wrong. Moreover the kind of product that must be tried or fitted were also important to have in the showroom. Hjort (2013) points out how certain product groups are more frequently returned such as trousers, party dresses and shoes for reasons related to fit and quality. This is also seen the statements by participants:

“I can’t buy trousers online, they will never fit me”

“Yesterday I picked up a pair of shoes I ordered from China paid so much customs money and they were too small...after waiting so long. Now I must sell them...”

QUESTIONS	Would you make use of the showroom?	How?	What sort of brands/products will you prefer to have in the store?
FACTOR & FREQUENCY #	Yes (18),	Cheaper online prices (3), Easy (2), Convenient (2), Gaining inspiration (2), Product trial (3), Unique/selective assortment (2)	Investment/expensive items (5), Unique assortment (2), Difficult to e-shop clothes (2), Low/online prices (3), Convenient (2)

TABLE 6: QUESTIONS RELATED TO SHOWROOM

The single participant in disagreement to using the showroom in the following manner:

“Feels like hard work to first see online, then go there and try it, then come home and buy. I can then rather order and try it home. It has to be something more like from the US because it’s hard to send back.”

The participants answer expresses reluctance to invest extra effort in leaving the confines of home as previously stated. The benefit of online shopping in this case is to not to have to visit a store and to be able to capitalize on the time and effort that visiting a store would take (Anand, 2007).

Showroom and E-trust

The workshop participants pointed out that they will make use of showroom with the possibility to try products, making purchasing evaluation simpler, worthwhileness and trust of knowing exactly what one is buying amongst other reasons (simplicity, convenience in location, gaining inspiration, receiving/ collecting products, unique assortment, store experience, cheap online prices). Once again the participant most hesitant to using the showroom stated as follows:

“I am not sure.... if there are stores in the city centre where I can get the clothes directly. Maybe I would like that instead of waiting weeks, or days or packaging and returning in the post office.”

Another participant stated as follows:

“It depends what this showroom is. If they give something more. If they’ve selected some special brands that I really like. If I get more service and help. Then that way. If you get Internet price.”

In theory a website that manages to uphold high level of service, proper search function and information availability would be successful in offering its customers an experience /a perception of trust (Gommans et.al, 2001). If they cannot visualize products properly or get necessary information such as fabric, size, fit, delivery times etc., trust is limited and they might not be willing to take the risk of purchasing the product. The availability of a showroom will make it possible to get adequate information in terms of product fit, fabric, size and experience by giving possibility to see, touch and try prior to purchase. Thus the perceived risk imposed during online shopping can be eradicated or at least reduced (Gommans, Krishnan and Scheffold, 2001). A higher feeling of security can be experienced. This is what the participants’ mean by saying they will use the showroom to gather more information, evaluate the purchase options. They generally agree to feeling more comfortable (secure) with their purchase decision if they were able to use a showroom.

Once again, the workshop participants mentioned how product reviews, comments, website images and information were most commonly used during the evaluation of fashion products online. They additionally discussed functions such as zoom, and catwalk videos. They described their experience in evaluating products online as

convenient but boring, overwhelming and lacking store experience and personal assistance. On the other hand, they expressed that physical stores offered store experience, physical evaluation of products, human interaction and personal assistance.

It is so far evident that feeling secure and having reduced perceived risk is important for these participants and during apparel shopping online as they commonly agree on the importance of being able to visualize and gain adequate information (Gommans, Krishnan and Scheffold, 2001). They do this by making use of available web tools and web functions such as zoom, catwalk, reviews, and comments (Kawaf, 2012). They are not ready to take the risk of purchasing items that later turn out to be different after the products are delivered. If they are satisfied with image, information and overall quality, they perceive a level of trust. The key factor here is gaining enough trust by using available tools to gain sufficient information. This is because consumers tend to gather information to decrease uncertainty and assess consequences in the pursuit to reduce the amount of perceived risk, (Park and Stoel, 2002). Where difficulties in gaining adequate information in terms fit, size, feeling and quality can be experienced online, the showroom can complement by supplying this required information. Workshop participants express similar needs:

“I don’t buy online because I must try the clothes first... no”

“Yesterday I picked up a pair of shoes I ordered from China paid so much customs money and they were too small...after waiting so long. Now I must sell them...”

“I can’t buy trousers online, they will never fit me”

“I don’t have your kind of body that everything fits, I am so short so I must try them before I can be sure that it fits me”

Showroom and E-Service Quality

E-service quality generally entails consumers' overall evaluation and judgment of the quality of website in terms of customer service, content, structure, use, information ability and search function. Sufficient information and product viewing can contribute to the provision of a utilitarian experience that in turn has a positive effect on the perceived ease of use as well as the perceived overall quality of a website. (McCormick and Livett, 2012). In this way, the overall quality of the website is improved because

the showroom serves as a complementary function of providing sufficient information. The showroom can therefore increase the overall perceived quality of an online store. Here again, remarks are made to responses of participants showing how they are willing to gather more information through the showroom and desire to be able to try clothes prior to purchase.

Showroom and E-satisfaction

Since consumers' product and brand evaluation draws reference to studies on pre- and post-purchase product satisfaction, the next part is divided into two: pre-purchase and post-purchase satisfaction.

Pre-Purchase Satisfaction

During the workshop e-satisfaction online was measured by asking participants for different determinants of satisfaction or dissatisfaction when online shopping before and after receiving the ordered product. The results indicate that website function and layout are the strongest contributors to their overall satisfaction of online shopping before receiving products (see summarizing table 7). More specifically this satisfaction was related to the website being visually appealing in layout and ease of use. Participant express:

"Zalando...too full of options. Nice one like and other stories. Visually inspiring, not too much. Entering a website. Then I go into evaluating the actual products. Ease of use."

"Too many clothes to choose from...similar clothes to choose from"

"...often I think that they put things behind the model to tighten it up, try to make it look different which is kind of weird because then you would not be satisfied."

"...the fabric is difficult to see... some pictures has like a very close up picture which is quite good because you can see a little more about fabric"

"...sometimes it can be tricky with the colour on the computer"

According to the explored theory, consumers must rely heavily on the ability of e-retailers to provide sufficient product information and vivid image display to enable product viewing during online shopping. (Kawaf, 2012) Product viewing that is vivid

and interactive can yield noticeably higher levels of consumer satisfaction. (McCormick and Livett, 2012) Through functions such as zoom and rotation, the user can gain great levels of control resulting in self-efficacy, and ease of use. (Kawaf, 2012) This is not difficult to understand after seeing response from participants. They clearly express how website functions such as zoom, catwalk and other image viewing tools impact levels of satisfaction while shopping online.

When a website cannot uphold these required functions nor allow users to experience easy use (Park and Sullivan (2009), their level of satisfaction will be negatively impacted. (McCormick and Livett, 2012) Consumers in this situation can make use of a showroom to complement these functional needs. For example, where they cannot judge the right size and colour online as participants from workshop sessions explained, they could use the showroom in evaluating these factors. Leading them to be more satisfied.

What determines your satisfaction/dissatisfaction towards your personal online shopping experience?	
QUESTIONS	FREQUENCY #
Satisfaction	Website works/ease of use (9), Nice website layout (6), Low prices (7), Product performance matches expectations (2), Discounts/sales (2)
Dissatisfaction	Size unavailable (3), Website layout (3)

TABLE 7: SATISFACTION/DISATISFACTION IN ONLINE SHOPPING

Post-Purchase Satisfaction

When asked about the different determinants of satisfaction or dissatisfaction during online shopping upon receiving an ordered product, findings revealed that satisfaction and dissatisfaction was linked to confirmation/disconfirmation of product expectations (see summarizing table 8). More specifically, it is the failure of size, colour, fit and fabric to meet expectations that caused dissatisfaction while the opposite was true for contributing to satisfaction.

“...it’s very difficult to see the picture because I do that as well, ...like I see the picture it look nice for now, but then when I receive its not the same”

“...that all the information that you receive when buying the item is correct when you get it and that it fits perfectly”

In theory, disconfirmation/confirmation can only take place once apparel products have been delivered home to the customer during online shopping. (Kawaf, 2012) A showroom offers the possibility to try and evaluate product quality, size and fit. These important factors affect the level of satisfaction of the participants during online shopping. Since consumers can evaluate products properly before purchase, the risk of disconfirmation of expectation is drastically reduced. The consumer expectations are confirmed before purchase and therefore satisfaction with products purchased online when received is improved. Findings suggest that a showroom helps to improve e-satisfaction during online shopping.

Unsurprisingly, satisfaction during online shopping was shown to be impacted by trust (as seen in delivery time matching expectations given in a website), availability of desired product in the right size and a lower online retail price in comparison to the price offered offline (Glenapp, 2013; Anand 2007). The participants express their opinions as follows:

"If product arrives on time. I don't like to wait longer...it's annoying. And that it matches my expectations. If it's totally different...it looks cheaper, it wouldn't be a good thing. Or if they are late and if it never comes."

"H&M for example changes delivery weeks, that means I get my products at another time than I thought when I paid..." "... Zalando too, ... getting commercial everywhere is annoying."

“it’s kind of boring but because it cheaper (money saver but not a time saver because its take like a week to get it. When I know that the clothes are new and no one has”

How do you determine if you are satisfied/dissatisfied towards a fashion product that you have purchased online when you receive it home?	
QUESTIONS	FREQUENCY #
Satisfaction	Performance matching expectation (9), Product packaging (4), Extra gift (3), Fit (2), Delivery time (2)
Dissatisfaction	Product performance matching expectation (14), Fit (2)

TABLE 8: SATISFACTION/DISATISFACTION UPON PRODUCT RECEPTION

RQ3: How would a showroom influence returns in online shopping?

Bearing in mind that product-related and non-defective reasons for returns in e-commerce is the centre of this research question, reasons such as customer change of mind and de-shopping have been ruled out.

Thus far, the empirical results from the focus group workshops suggest that consumers benefit from and have need to evaluate products using a physical space such as a showroom. This was especially true in evaluating products seen as having perceived financial and physical risks (Park and Stoel, 2002). Once again, all participants from each focus group agreed that they would make use of a showroom with the exception of the one single participant who discussed extensively on the inconvenience of visiting the showroom. Some main reasons for participants willingness to visit the showroom were its simplicity, convenience in location, possibility to try products, gain inspiration, unique assortment, the enhancement of trust and store experience. Testing and trying out products prior to ordering them online would reduce the risk of return whereby creating security of decision when being once again concerned with non-defective reasons for returns.

The responses of participants related to e-satisfaction show how the participants generally expressed that their satisfaction would be positively impacted by the possibility to try and know the product prior to buying it. With the understanding that

returns mainly occur as a result of dissatisfaction or failure in function (Rogers and Timber-Lambke, 1999), product satisfaction will consequently reduce returns due to dissatisfaction.

Moreover, dissatisfaction with product size, fit and quality were found to be the major reasons for returns in e-commerce in Sweden, Norway and Denmark (Hjort, 2013). As the participants in focus group express their willingness to use a showroom for trial purposes amongst other purposes, the problem of wrong sizes, fit and quality may also be reduced. The participants discussed how they will use the different tools and website function to gather enough information and thus reduce risk of wrong decision. In theory consumers have to rely heavily on the ability of e-retailers to provide sufficient product information and vivid image display to enable product viewing. Knowing that the process of online shopping naturally imposes a disparity between online products and real life products due to the lack of feeling, touching and testing, a showroom could serve as a complementary tool for decision making online. The risk for a wrong decision is therefore expected to be reduced, which should reduce returns caused by disconfirmation of expectations.

Given the online context, disconfirmation/confirmation can only take place once apparel products have been delivered home to the customer to try. For this reason, consumers have to rely heavily on the ability of e-retailers to provide sufficient product information and vivid image display to enable product viewing. Through functions such as zoom and rotation, the user can gain great levels of control resulting in self-efficacy, which is consequently linked to awareness of efficiency and ease of use. (Kawaf, 2012) According to Park and Sullivan (2009) efficiency and ease of use can be viewed as key elements of a utilitarian online shopping experience.

It was also shown how the reasons for return differed depending on the product group. As a whole, the reason for returns in merely all product groups were due to size and quality with party dresses, shoes and trousers topping the list. (Hjort, 2013)

5 CONCLUSION

This final chapter of the thesis discusses the findings and results of the previous chapter with the aim of answering the initial research problem and purpose of the study. The

aim was to develop an understanding of whether a showroom can concretely enhance a Swedish based consumer's online purchase decision-making. In the finding this out three (3) research questions were formulated. The summary and conclusions are presented below.

RQ1: How do consumers in Sweden evaluate fashion products online?

A significant number of Swedish consumers choose not to purchase apparel online due to the inability to properly experiencing and evaluating garments online (E-barometern, 2014a). More specifically, according to findings the web related actors that impact the decision to make a purchase online are the ability to clearly visualize the products, the image quality of the products as well as the layout of the website. In addition to this, consumers search for additional product descriptions, comments and reviews beyond the website of a brand to further support their decision-making for buying a product. Although consumers express contentment with their evaluation process online using the tools like zoom image etc. there still exists some discrepancy in the evaluation online compared to the physically. This discrepancy however had little or no impact on decision-making.

RQ2: What impact will a showroom have on fashion purchase decision-making during online shopping?

Indeed theoretical and empirical evidence give support to the fact that consumers have the need to feel secure in their purchase decisions while reducing perceived risks of purchasing items that may not meeting expectations (Park and Stoel, 2002). This has to do with e-trust. To feel secure, e-service quality must be at a level that aids the shopper in visualizing the merchandize and gaining proper information using proper web tools. A showroom will facilitate improved e-service quality by complementing the web tools with physical evaluation of products and e-trust by offering adequate required information on the physical attributes of garments.

Convenience factors may hinder the usefulness of a showroom as complementary to online shop. Findings suggest that the research participants will benefit more from having products that are difficult to shop online as well as expensive products in a showroom. Where participants are convinced negatively about the style of a fashion item online, the showroom has little or no impact on their purchase decision.

RQ3: How would a showroom influence returns in online shopping?

When shopping online consumers rely on the e-retailers ability to provide sufficient product information in text and image. Participants state that they may make use of showroom to evaluate fashion items by touching, feeling, and touching in order to feel more secure when deciding if to purchase fashion products online. They depicted that the showroom might not necessarily increase satisfaction but rather reduce disparities in expectations in the performance of the products as whole. Oliver (1980) whose work depicts that satisfaction results from the subjective comparison of an expected and experienced product attribute level relates to this well. The showroom may reduce the gap between pre-purchase expectations and post-purchase experience caused by the inability of online shops to provide touching, feeling and trying possibilities. Upon physically seeing the product, consumers may test and try the products to determine whether the performance of the product meets their expectation and thus reduce the risk for dissatisfaction. Dissatisfaction in turn is the main reason for non-defective product returns. (Rogers and Timber-Lambke, 1999) Consequently the following research suggests that given the chance to physically test and try fashion items in a showroom prior to purchasing them online, returns of non-defective products due to dissatisfaction with their attributes can be reduced.

As this study did not directly measure product returns, it similarly cannot claim that a showroom will reduce product returns in e-commerce. Nonetheless, given the above-mentioned criteria for non-defective product returns, the findings of this study strongly suggest that a showroom would in fact help to reduce returns of fashion products in e-commerce.

5.1 GENERALIZABILITY OF THE RESEARCH

Due to the limitations and scope of the study, it is hard to generalize the results. A larger and more diversified workshop group would yield more generalizable results. Nevertheless the logic in the sample population from which this data is retrieved is unavoidably interesting to discuss. There were several peculiarities in each focus group just as the researchers expected. The students from the School of Textiles were generally more interested in speaking about the aesthetic and functional benefit of a showroom apart from answering the discussion questions. For example how the showroom can present fashion items in an appealing manner or how the fabric can be

felt. It was also noticed that they discussed the different questions from a third person perspective as though they spoke about how others will generally experience the benefits of a showroom. This is not so strange as they have more solid educational background in the field of fashion management.

The students from the School of Economics in Gothenburg placed very much emphasis on practical and monetary aspects. The mixed group (session 4) discussed less in-depth but broader topic areas from experience to additional suggestions such as for example the possibility of returning unwanted products to the showroom. This shows that there exists some diversity in the perspectives of the different focus groups; nevertheless, it is not enough to generalize the results.

5.2 FUTURE IMPLICATIONS FOR INDUSTRY

In the introduction to this research, the problem of returns within the online apparel industry was clearly grounded. The results from this research offer ground-breaking implications on the online apparel industry. Knowing that consumers will feel more trust and security in their purchase decision with the presence of a showroom means online shopping can grow even larger. This means that managerial cost of returns, reverse logistic investments, budget/need for own-store will reduce drastically and resources can be allocated to other area.

These kinds of studies are beneficial to the retail industry. They go even beyond the boundaries of online retailing and fashion industry. This suggests a new structure to the online businesses to further impact tradition brick and mortar stores. For instance, new designers who are interested in retailing but have limited resources may pursue the opportunity to collaborate with a showroom featuring multiple brands. On the other spectrum, traditional retail channels can reconstruct their models to suit sales by the use of a showroom instead of the present structure.

A showroom retail concept is not only applicable within the apparel industry but has the potential of being transferable to other industries such as home interiors, electronics among others. The major impact of this research is that consumers' satisfaction in general is increased and leads to reduced returns. Consequently the resources from the reduced returns may then be allocated to other necessary areas. With this, both the

consumer and retailer get to enjoy a win-win situation in the form of satisfaction and reduced returns.

5.3 RECOMMENDATIONS FOR THE FUTURE RESEARCH

In the very initial stage of setting out to carry this research on showroom and its impact on online shopping, it was the intention of the researchers to physically test out setting up a showroom or pop-up space to carry out an observational study on consumer behaviour in terms of product evaluation and decision-making in a retailing environment. However, due to financial and time constraints this was not successfully achieved. For this purpose, it is suggested that future research should be implemented in the form of an observational experiment in an existing retail showroom or pop-up space to observe consumer shopping behaviour. An inductive construction of theory for this type of research design would allow for theory to be constructed and built around the peculiar data extracted from the observations. Further, this would allow for flexibility and the possible development or refinement of established theory within online retailing.

As this study was mainly focused on gaining an understanding of how a showroom can impact purchase decision-making and returns, it thus did not go into further research on cross-channel sales distribution as a whole. A suggestion for a follow up study would be to understand the impact of a cross-channel sales channel distribution on reduced returns.

Finally, given as this study was conducted in Sweden, it is worth conducting a similar type of experiment outside Sweden to test whether the results would be the same or differ depending on country or geographical setting. Additionally, it may be worth replicating the study for other product types and industries such as for example home furniture to also find out whether the research results would be the same.

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APPENDIX A – FOCUS GROUP

Section 1: Interaction

Step 1

Inform participants the following (Max. 10 mins)

Assume the prices are affordable for your personal economy

Ignore delivery and return costs

Please feel free to ask questions if anything is unclear

Step 2

Log on to several school PC's in advance to ensure efficiency.

Allow participants to evaluate the two dresses from H&M online website. (Max 5 mins)

Step 3

Allow participants to evaluate dresses. Inform that they are allowed to try them on. (Max. 15 min. for all participants)

- What factors did you consider when evaluating the products?

Section 2: Interaction

1. Questions related to evaluating fashion products online (taking into account e-service quality, e-trust and e-satisfaction).

- How do you generally evaluate online fashion products before you receive them?
- How do you generally experience evaluating of fashion items online as opposed to within a physical store?

2. Questions related to experience of online shopping with regards to e-service quality, satisfaction and return.

- What determines your satisfaction/dissatisfaction towards your personal online shopping experience?
- How do you determine if you are satisfied/dissatisfied towards a fashion product that you have purchased online when you receive it home?

3. Questions related to whether the showroom would be a suitable solution and how it will add benefits to participants.

Assume there was a showroom in the centre of your city where you could see, try and evaluate online fashion sample pieces prior to purchasing them online:

- Would you make use of the showroom and how?
- For those who answered no, why? No one answered no.
- What sort of brands/products will you prefer to have in the store?

APPENDIX B – DRESSES FOR FOCUS GROUP WORKSHOP

DRESS A

The screenshot displays the product page for a black dress. At the top, the H&M logo is on the left, and navigation links for 'HITTA BUTIK', 'KUNDSERVICE', 'KATALOGSHOPPING', and 'NYHETSREBREV' are in the center. Below these are category links: 'H&M LIFE', 'DAM', 'HERR', 'BARN', 'HOME', and 'REA'. On the right, it indicates 'Sverige' and 'Alla priser i SEK'. The breadcrumb trail reads 'HM.COM / DAM / KLÄNNINGAR / KORTA KLÄNNINGAR / MITT URVAL / KORT KLÄNNING'. The main image shows a woman in a black, form-fitting, short-sleeved dress with a yellow bag. To the right, the product title is 'Kort klänning' with a price of '199,-'. The 'BESKRIVNING' section describes it as a stretchy, high-quality dress with a ruffled waistband and a back zipper. The 'DETALJER' section lists the material as 33% polyamid, 63% viskos, and 4% elastan, with a length of 30 cm and article number 59-0297. A color selector shows 'Svart' is selected. Size options range from 32 to 44. A 'LÄGG I SHOPPINGBAG' button is at the bottom right. Below the main image are sections for 'STYLA MED' (Plattpumps, 10-pack ringar) and 'ANDRA KÖPTE ÄVEN' (Mönsterstick, Bandeauklänning, etc.).

DRESS B

The screenshot displays the product page for a pink dress. At the top, the H&M logo is on the left, and navigation links for 'HITTA BUTIK', 'KUNDSERVICE', 'KATALOGSHOPPING', and 'NYHETSREBREV' are in the center. Below these are category links: 'H&M LIFE', 'DAM', 'HERR', 'BARN', 'HOME', and 'REA'. On the right, it indicates 'Sverige' and 'Alla priser i SEK'. The breadcrumb trail reads 'HM.COM / DAM / KLÄNNINGAR / MITT URVAL / CRÉPPAD KLÄNNING'. The main image shows a woman in a bright pink, short-sleeved, A-line dress. To the right, the product title is 'Créppad klänning' with a price of '499,-'. The 'BESKRIVNING' section describes it as a high-quality, stretchy dress with a ruffled waistband and a back zipper. The 'DETALJER' section lists the material as 99% polyester and 1% elastan, with a length of 30 cm and article number 67-6833. A color selector shows 'Rosa' is selected. Size options range from 34 to 42. A 'LÄGG I SHOPPINGBAG' button is at the bottom right. Below the main image are sections for 'STYLA MED' (Ribbad topp, Ullkeps, 4-pack armband, Halsband) and 'ANDRA KÖPTE ÄVEN' (Viskosklänning, Ärmösa klänning, Skjortklänning, Brokasklänning).

Source: H&M. URL: www.hm.com/se