A note from your Executive Board:

The American Collegiate Retailing Association (ACRA) Executive Board would like to thank the membership and especially the authors who contributed to this year’s conference. While “change and flexibility” are inevitable, we appreciate the patience and understanding of each member as we worked to get papers and abstracts reviewed for the conference and the Proceedings created. Unfortunately, while we could not meet in person due to the global pandemic, we believe that sharing the “Extended Abstracts” as part of this year’s Proceedings and recognizing our top full-paper submissions will allow authors and scholars to see the wonderful scholarship that our members are providing to the discipline.

The Board would also like to especially thank our Conference Chairs, Dr. Chuanlan Liu and Dr. Chunmin Lang from Louisiana State University and Dr. Scott Davis from the University of Houston for their tireless efforts in coordinating and reviewing the submissions. We look forward to seeing everyone for future conferences.
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Track 2: Consumer/Shopper Psychology and Behavior
INTERVIEWING REAL SHOPPERS ABOUT STORE PHYSICALITY: A CASE STUDY OF TARGET

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**Introduction**

Currently apparel shopping takes places through multi-channel retailing such as cell phones, touchscreen, laptops and tradition brick and mortar stores (Kim & Johnson, 2015). Despite the growing popularity of online retailing, brick and mortar stores are still one of the most important channels to provide consumers memorable, engaging, and emotional brand experiences (Anderson & Eckstein 2013). A synopsis of previous research studies found that physical stores contribute to experiential consumption, while online shopping mostly relates to utilitarian consumption (Baker & Grewell, 1994; Dolbec & Chebat, 2013). Moreover, a current research conducted by Kim and Johnson (2015) found that several store attributes such as product, store design, atmosphere, and price positively influence store loyalty through the mediating role of shopping enjoyment and place attachment.

The objective of this study is thus to identify and observe potential areas of store physicality for improvement focusing on a specific location of a Target store to enhance consumers’ shopping experiences. Davies and Ward (2005) and Kent (2003) posited that “merchandise, in-store promotion and the issues of location, environment and atmosphere” are the focus areas of store physicality. Thirty in-person interviews were conducted at a Target store in the Midwest. The following questions were asked:

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<td>1.</td>
<td>From the table above which brands have you purchased before? What kind of clothing or brands that you think the store should but don’t yet have for you?</td>
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<tr>
<td>2.</td>
<td>Do you like the design, quality, and price of the clothing products here?</td>
</tr>
<tr>
<td>3.</td>
<td>How does the product presentation help you to select what you want?</td>
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<tr>
<td>4.</td>
<td>Please tell me how you like the visuals and signage of this store?</td>
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<td>5.</td>
<td>How you like the layout of the store? Should anything be rearranged?</td>
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6. Do you want any specific technological features to help you shop at Target?

7. Do you think the store has enough staff to help with your shopping needs?

8. How do you like the checking out process? Is the check-out station convenient?
   Are you wait in line for too long?

9. What promotions should this Target store have to attract you to continue to shop here?

10. How should this store improve to make you want to shop here more?

Findings

Seven major findings emerged from the analysis of the thirty in-depth interviews:

**Finding 1 (Technological features):** Participants expressed that they wanted specific technological features such as QR scan code (22% of participants), VR showroom (7%), digital display (20%), chatbots (27%), mobile wallet (20%), virtual makeover (2%), and digital price tags (2%) that could help them shop at Target. Their detailed suggestions are outlined as the following: a.

   QR scan codes help consumers to get more information about products such as types of fabric and previous purchase history. Also, VR showroom could be applied in the fashion apparel store.

b. Another important technological aspect is digital display. Some consumers claim that retailers should provide current trending of apparel items and other necessary features in the digital display as well as listing and showing images for all items.

c. Mobile wallet and virtual makeover (an app where users can virtually try on any makeup to enhance their appearance) are two important technological features that Target could implement to facilitate a better consumer decision making process.

d. Digital price tags are other important things to consider. Some consumers state that digital
price tags need to be integrated with their smartphone that align shopping lists and alert them about what items to look for next.

**Finding 2 (product presentation of the store):** Participants indicated that Target needs more apparel items, variations in the arrangement of fixtures (25% of participants), coordination of products (13%), freshening up the displays regularly (17%), and rearrangement of the layout of front lines (12%) to improve the product presentation of the store.

a. Target needs more apparel items to compare fabric materials, texture, style, and price value so that participants can choose the best one. Some male participants mention that the store should increase the selection of apparel items for men’s section as this section is super small.

b. The placement of the apparel items in the store also takes a very small place. So, it would require more space to relocate all apparel items in a manner that everyone could easily look through all apparel items.

c. Participants do not always want to look the same items in the same arrangement. Sometimes they want to explore the store and look for novelty. They also prefer to see the most purchased products at the back of the store. It will help them to look for other unfamiliar brands. It can be concluded that freshening up the product displays regularly is highly recommended to enhance consumers’ attraction to the store.

d. Consumers want a specific fixture format. Sometimes they could not see products when similar fixtures are used across all rows. Target should arrange their fixtures from smaller to larger that helps consumers in differentiating the products. This store needs more curved tables and racks for proper arrangement of apparel items.
Finding 3 (Promotional features): Participants suggest some important features of promotions that the Target store should implement and those features are:

a. 35% of participants noted that email is a great way to promote products because they are always checking email. My findings indicate that consumers feel text messages are more personal than email. Text messages are a good reminder about the products that allow consumers to revisit the items and later purchase them.

b. Target should advertise their products outside the store (24% of participants).

Sometimes, customers walk around the Target store and it will be appealing if they see advertisements of new products. Mostly, they would like to see advertisements of newly arrived and discounted apparel items outside the store.

Finding 4 (Checking out process) Participants commented on the checking out process at the Target store and they suggested:

Overall Target checking out process is very good. However, some participants claim that self-checkout system is always overwhelmed and they will prefer to exclusively use mobile to complete the checkout process (18% of participants). One participant tells that Kohl’s combined its customer loyalty program with its membership card to create Kohl’s Pay. It is a quick checkout system that uses the shopper’s mobile app to store their Kohl’s Card, coupons, and loyalty points. Finding 5 (Quality of brand): Participants shared their thoughts about the brand and the quality of products. They offered these descriptions:

28% of the participants like ready to wear and jewelry/accessories from the Wild Fable line because those are cheap. As most of participants are undergraduate students, they told me that this brand meets their all required criteria so that they choose this brand.

For clothing, they also prefer highly fashionable clothing from C9 and Hanes. The price of the
clothing is also reasonable for participants. In addition, participants claim that sneakers are missing from the Target store (10%). They want Nike brand and sneakers that the store did not have.

**Discussion and Implications**

This study uses Target as a case in point that reveals real shoppers’ needs in store physicality. For example, the transformation of brick and mortar stores into digitalized retail environments are indicated as a need. Technological features such as QR scan code, digital price tags, mobile wallet, and virtual makeover will facilitate better shopping experiences for consumers. Additionally, retailers could use the use of virtual reality, augmented reality, and smart technologies in the retail environment to provide consumers more engaging and memorable experiences. In addition, proper arrangement of fixtures as well as freshening up the product displays regularly can further motivate consumers to shop often at the Target store.

Furthermore, Target could improve promotional features so that consumers will be better informed about their products. Target may regularly email, contact, or text consumers who opt in for marketing information, current trends in fashion retailing to draw consumers’ attention. This marketing effort differs from advertising as it gears toward delivering news and educate consumers about news fashions.

The results of this study are most pertinent to Target’s story physicality. However, similar store formats might exhibit similar issues and thus could get insights from our study. More field work is needed in the study of the store physicality and transforming brick and mortar stores to experiential environments that are sensually engaging and inspirational.
References


HBCU COLLEGE STUDENTS’ INTENTION ON INTERNET SHOPPING

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Purpose: College consumers want to be able to find clothing quickly and easily that meets their needs through the internet. The internet is one of the most popular market formats to college students (Lissitsa, & Kol, 2016; Kurtz, & Boone, 2017). Tremendous growth of internet shoppers in the recent years urges to research on a subject of the internet shopping intention related to the clothing involvement and product attributes. The purposes of this study were to explore two factors in product attributes, which are style and brand attributes, impacting on the online purchasing intention among the Historical Black Colleges and Universities (HBCU) students.

Research Hypotheses: The following hypotheses were developed to demonstrate the internet shopping intention among college students.

H1a. College students with a high level of Clothing Involvement tend to have a positive effect on Style Attributes.
H1b. College students with a high level of Clothing Involvement tend to have a positive effect on Brand Attributes.
H2. College students’ positive Style Attributes highly lead to college students’ shopping intention to the internet.
H3. College students’ positive Brand Attributes highly lead to college students’ shopping intention to the internet.

Research Method: This study used convenience sample of college students from the classes at two HBCU with various major areas in southeastern US. For the study, 240 participators were voluntarily recruited to collect the questionnaire, which took 15 to 20 minutes to be completed. This study adopted the methods of Xu & Paulins (2005) to find the intention of internet shopping. The data were analyzed to explain the unique internet shopping intention among college students using structure equation modeling (SEM). The path coefficient in SEM was made to test the hypotheses.

Results and Discussion: The model is composed of 4 latent variable with sixteen indicators. The result of SEM model fit revealed that the clothing involvement was one of the strong determinant
factors in style and brand attributes, ultimately affecting the internet shopping intention. The college students highly intend to purchase their clothing through the internet. The mean score of clothing involvement is 5.60, which is higher than the median of 4 of 7-point bipolar scale, indicating college students’ strong interests in clothing. Interestingly, many college students show strong clothing concerns, associated with the factor of brand attributes before making a purchase decision. When college students were looking for their clothing through the internet, they first recognized the famous brand names or the well-known brand products. They may like to look at the name brand clothing and follow the current fashion trend clothing through internet. In order to minimize the shopping risk, the college students are highly looking at the name brand clothing on the internet. However, when they made a purchasing decision through internet, the factor of style attributes strongly impacted on the online shopping intention rather than the brand attributes. The college students want to express their individual personality through the clothing. Hence, they importantly consider two variables of nice color and good match of clothing when they make the purchasing decision. Moreover, the college students do not want to wear clothing that does not fit properly, so the good fit is an important variable when college students purchasing the clothing through the internet. The results of SEM model indicate that college students have the positive internet shopping intention for their clothing in the future. The college students are the potential consumer in the near the future.

**Implication:** The internet retailers should consider the niche market for HBCU students because the college students are the big potation future internet consumers. The internet retailers have to develop the internet market strategies to capture the HBCU consumers. The results indicate that the HBCU students have a unique purchasing pattern when they are shopping through the internet. Based on this result, the internet retailers can improve their brand image and style attributes for their target market.
Keywords: Internet shopping, Brand and Style Attributes, Clothing Involvement

Reference:


SHOULD I TAKE A CHANCE? THE IMPACT OF CLOTHING SUBSCRIPTION SERVICES ON COGNITIVE DISSONANCE AND CONSUMER RESPONSES

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Abstract

To address the volatile nature of the retail industry, retailers have adopted business models such as clothing subscription services to meet the demanding needs of consumers. This business model, grounded in technology and supply chain, offers consumers products through interval deliveries of ‘curated boxes.’ Limited academic literature has examined how different types of subscription services (curated, partial curation, non-curation) influence consumers’ dissonance and their subsequent responses toward the service. Our research employed an experimental design using a Qualtrics panel of 358 consumers. Results revealed higher instances of for both dimensions of cognitive dissonance but only the wisdom of purchase dimension was found to be significant.

Online clothing subscription services (CSS) have experienced tremendous growth within the global retailing market in the last ten years. The business model, grounded in technology and supply chain, offers consumers products through interval deliveries of ‘curated boxes.’ “In curated fashion retailing, stylists assist consumers in their online shopping by providing product recommendations tailor-made to their personal preferences” (Sebald & Jacob, 2019). Depending on the service, curation can refer to three distinct types: full, partial or none. CSS deliver retailers benefits by providing steady income from customers. For consumers, CSS combine online shopping (Sebald & Jacob, 2019) convenience, and personalization to create an individualized shopping experience. In a recent report by McKinsey, curation-like monthly boxes of clothes and makeup were noted as the most popular subscription services, making up more than 55% of subscription services purchased (Segran, 2018). While popular press has noted an increase in CSS, limited academic literature has examined how different types of subscription services (curated, partial curation, non-curation) influence consumers’ cognitive dissonance, and attitudinal and behavioral responses toward the service. Therefore, this study addresses this gap in the literature by investigating CSS using the Cognitive Dissonance Theory (CDT). Previous literature has examined subscription-based online services in terms of surprise (Woo & Ramkumar, 2018), behavioral attention (Lee, Sadachar, & Manchiraju, 2019), and consumers
perceptions to using CSS (Bhatt, 2018). One can argue that apparel selection for some consumers is high involvement, with issues such as fit, price, and aesthetic preferences making apparel choices overwhelming. Thus, subscription services that provide curated services where stylists provide input on product choices may increase cognitive dissonance related to apparel shopping. Thus, the purpose of this study was to examine how types of CSS impact consumer’s level of cognitive dissonance, thereby influencing their attitude and positive word-of-mouth communication toward CSS.

**Literature Review**

This study draws on Cognitive Dissonance Theory (CDT) by Festinger (1957) which describes the aversive state of psychological discomfort (dissonance) in a consumers’ mind resulting from contradictory cognitive elements when decisions are made. These elements can include knowledge of the consumers environment, consumers’ attitudes, opinions, and past behavior. If one cognitive element aligns with another, they are said to be consonant with one another. Consumers experience dissonance if one element does not follow logically from the other. It is the uncertainty of choice that causes the consumers dissonance and make consumers doubt their decision (Mao & Oppewal, 2010). If an inconsistency (dissonance) occurs, individuals subsequently change their beliefs and attitudes, seek and recall consonant information or change their behaviors to avoid conflict and reduce dissonance. A substantial number of studies in the consumer behavior domain have investigated dissonance in the post-purchase stage as well as strategies that consumers adopt as reactions to cognitive dissonance (e.g., Bawa & Kansal, 2008; Lee & Li, 2013). Still, research has neglected to investigate dissonance within the pre-purchase stage or the antecedents of the construct.

In the context of clothing subscriptions, consumers may experience greater dissonance depending on the level of consumers’ input during product selection. If the CSS curates products for the customer
without the customer’s input (full curation), he/she may experience an internal pre-decision conflict due to uncertainty. That is, customers desire to own new clothing items, but do not have control over their apparel selection when subscribing to a fully curated service. The uncertainty of not knowing what products they will receive (unknown outcome) may cause psychological discomfort (Koller & Salzberger, 2012). In this vane, if consumers can preview pre-selected items by the stylist and switch out unfavorable products (partial curation), the level of dissonance should decrease in comparison to the full curation service. Furthermore, consumers who have full control over their apparel selection (non-curation), may experience the lowest level of dissonance as a result of the known outcome and the absence of internal conflicts and mental distress.

George and Edward (2011) propose that the degree of personal involvement in a purchase decision impacts the level of cognitive dissonance and found that consumers who are more (less) involved with the purchase experienced a lower (higher) degree of cognitive dissonance. This implies that a fully curated service facilitates the highest level of dissonance due to the lowest level of consumer involvement in the product selection process; followed by partial curation and non-curated subscription services (highest involvement, lowest level of dissonance). Therefore, it is hypothesized that the type of clothing service subscription influences the level of consumers’ cognitive dissonance such that: *H1a: Consumers will demonstrate more dissonance (emotional and wisdom of purchase) related to a full curated subscription service than a partial curated CSS. H1b: Consumers will demonstrate more dissonance (emotional and wisdom of purchase) related to a partial curated subscription service than a none curated CSS.*

To our knowledge, no research has explored how cognitive dissonance influences consumer responses to a CSS. Research related to the hospitality industry revealed that satisfaction and repeat purchase behavior are consequent variables of cognitive dissonance. Specifically, consumers’ post-purchase
feelings of dissonance lead to dissatisfaction (Koller & Salzberger, 2012) and lower levels of repatronage behavior (Kim, 2011). Therefore, it is expected that: H2: Consumers’ emotional dissonance and wisdom of purchase generated by the CSS will negatively influence their a) attitude toward the subscription service, and b) positive word-of-mouth communication.

Methodology

This study employed an experimental design with 3 types of CSS (full, partial, none) as the between-subjects factor. The type of subscription service was manipulated through a visual advertisement of a mock company with a narrative description (created in Adobe Photoshop) depicting a CSS that pertained to a full-curation subscription service (e.g., “the stylist chooses clothing items for you”), partial-curation subscription service (e.g., “the stylist chooses clothing items for you and you can preview the box”), and non-curation subscription service (e.g., “shop 100s styles and select your favorite clothing items”). Each participant was randomly assigned to one of the three CSS conditions. Prior to the main experiment. An Internet experiment was conducted using Qualtrics with a nationwide US sample of 358 consumers, who did not have prior experience with a CSS. The sample was recruited through Qualtrics’s online panel. Pre-existing reliable scales measuring cognitive dissonance (Sweeney, Hausknecht, & Soutar, 2000), attitudes toward the subscription service (Dodds, Monroe, & Grewal, 1991, and positive word-of-mouth communication (Goyette, Ricard, Bergeron, & Marticotte, 2010) appeared after the manipulated advertisement. All measures were rated on 7-point Likert scales. Prior to the stimulus and scale measures, a definition of the CSS was given.
Results

All scaled measures demonstrated adequate reliability ($\alpha > 0.8$) and were confirmed to be unidimensional, except for dissonance which comprised of two factors: emotional and wisdom of purchase subscales of the Cognitive Dissonance after Purchase Multidimensional Scale (Sweeney et al., 2000). A pretest was conducted and was successful to verify the manipulated stimuli were representative of the three types CSS. Hypothesis 1 was tested using MANOVA, with type of CSS (full, partial, none curation) as the between-subjects factor, and emotional and wisdom of purchase as the dependent variables. As hypothesized, the result of the between-subject effects revealed a significant main effect for type of subscription service on wisdom of purchase [$F(2/358) = 3.05, p < .05, \eta^2 = 1.7\%$], but not on emotional cognitive dissonance [$F(2/358) = 2.55, p > .05$]. Specifically, consumers experienced a higher degree of wisdom of purchase on a fully curated than a partial curated CSS [$M_{full} = 4.48, M_{partial} = 4.06, MD = .43; p = .02$]. Although a main effect of type of CSS on emotional dissonance was not found, consumers experienced a higher degree of emotional dissonance on a fully curated than a partial curated CSS [$M_{full} = 2.90, M_{partial} = 2.55, MD = .35; p = .04$]; partially supporting H1a. Furthermore, consumers did not experience more cognitive dissonance on a partial curated than a none curated CSS [wisdom of purchase: $M_{partial} = 4.06, M_{partial} = 2.21, MD = -.15, p > .05$; emotional: $M_{partial} = 2.55, M_{partial} = 2.59, MD = -.04, p > .05$]. Therefore, the partial and full curated CSS had similar effects on cognitive dissonance; rejecting H1b. Hypothesis 2 was tested using multiple linear regression and results revealed that wisdom of purchase [$R^2 = .33, F(2,355) = 88.92; \beta = -.41, p <0.001$] and emotional dissonance [$\beta = -.28, p <0.001$] negatively influenced attitude toward CSS. Results also found that wisdom of purchase [$R^2 = .32, F(2,355) = 82.22; \beta = -.43, p <0.001$] and emotional dissonance [Beta = -.24, p <0.001] negatively influenced positive word-of-mouth communication. Thus, H2a,b is supported.
Discussion and Implications

The results of our study have both theoretical and managerial implications. Overall, consumers experienced higher instances of cognitive dissonance in the fully curated CSS as opposed to the other curation types, however, there was no significant difference between partial and none. This suggests that retailers entering the CSS business should utilize either a partial or non-curation model. In contrast to George and Edward (2011), we found that consumers experienced the least amount of dissonance when they had some type of involvement in selecting clothing. This may be attributed to the intricacies involved in selecting clothing for some consumers. Moreover, to our knowledge no research has investigated CSS type and dissonance in the pre-purchase stage. Thus, our research adds to the body of literature on CDT and supplements Koller & Salzberger’s (2012) study, in that we found that cognitive dissonance negatively influenced consumers attitude and positive word of mouth communication regarding the CSS.

References


THE INFLUENCE OF BODY MASS INDEX ON READY-TO-WEAR CLOTHING FIT IN CURRENT RETAIL MARKET

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Rationale: Clothing fit is the most crucial factor when consumers purchase their clothing (Pisut & Connell, 2007; Newcomb & Istook, 2011; Lee et al, 2012; Seo & Namwamba 2018). Although consumers’ body shapes are various, the sizes of bust, waist, and hips of ready-to-wear (RTW) are fairly standardized in the apparel manufacturers’ sizing charts, leading to the clothing fit issues of many consumers. Body Mass Index (BMI) is one of the important factors that have an impact on body shape, but there is little research on the influence of BMI on RTW clothing fit and Clothing Benefit Sought. BMI is a measurement that provide an indication of body fat based on height and weight and can help classify a standard measure of health. BMI can be used to help determine if a person is underweight, normal weight (healthy weight), overweight, and obesity (CDC, 2017).

Purpose: This study aims to examine the influence of BMI on RTW clothing fit and Clothing Benefit Sought for young female college consumers.

Research Questions: Two main questions are proposed for this study: (1) which specific locations in RTW clothing cause discomfort due to a lack of good fit in each BMI group? and (2) how are BMI groups related to the clothing benefit sought for young female college consumers? Methodology: The convenience sample method was used for this study. After receiving consent, the authors distributed questionnaires to participants during a regular class session. The questionnaires were completed in 15-20 minutes. Data were collected from female college students in southeastern US. 154 questionnaires were completed by female. Data analysis was performed using frequencies, multivariate analysis of variance (MANOVA), and univariate analysis of variance (ANOVA).

Finding: This study finds that bust, waist, and thigh girths of the responders relatively misfit RTW clothing no matter which BMI group they belong to. Most responders reported that hip and abdomen
girths are relatively good fit areas. Normal weight (BMI of 18.50 to 24.90) and overweight (BMI of 25.00 to 29.90) responders feel that RTW clothing is too loose around the waist. The obese category (BMI of 30.00 or higher) respondents report that their clothing is a fairly good fit around the waist, but they indicate tightness around the bust and the thigh areas. The obese respondents are highly looking for camouflage benefits when they are wearing the RTW clothing. Most college female students consider RTW clothing as a means for personality expression, but not sex appeal.

**Conclusion:** Young college female students use their RTW clothing for the purpose of body modification to emphasize their body shape and image. However, the obese female consumers use RTW clothing as a camouflage tool to hide their body image and shapes. Obese female consumers are more likely to complain of tight fit in bust and thigh areas.

**Implication for research and/ or practice:** This study is unique as it is the first time to investigate an empirical link between RTW clothing fitting issues and clothing benefits sought based on BMI among young female college consumers. This study aims to enlighten the apparel industries of young female college consumers’ perception and thoughts about RTW clothing fit problems and clothing benefits sought. Based on the results, the apparel industries can improve their RTW clothing fit issues for their target consumers.
Reference:

CDC: Centers for Disease Control and Prevention- Healthy Weight (August 29, 2017). About Adult BMI. Division of Nutrition, Physical Activity, and Obesity, National Center for Chronic Disease Prevention and Health Promotion, Retrieved from https://www.cdc.gov/healthyweight/assessing/bmi/adult_bmi/index.html#Definition


USAGE OF FUNCTIONAL MAGNETIC RESONANCE IMAGING IN EXPERIMENTAL DESIGN: A REVIEW

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fMRI research showcases consumers cognitive processing and emotional response stripped from the external factors or social situations modifying the human experience. Past research showed the importance of this technique to the field; however, with the emergence of new marketing communication mediums, it is vital to review fMRI usage in current research. Thus, the purpose of this study was to review the last decade of consumer neuroscience researchers’ usage of fMRI techniques in experimental design. Findings showed overall static images were used, the retail environment was the largest category of study, and most analyzed the prefrontal cortex and stratum.

Consumer neuroscience is the “study of the neural conditions and processes that underlie consumption, their psychological meaning, and their behavioral consequences” (Reimann et. Al., 2011, p. 610). While consumer neuroscience continues to be a growing field, the usage of psychophysiological techniques in consumer research is not new. However, research in this field did not surge until the development of advanced imaging techniques, mainly functional magnetic resonance imaging (fMRI) (Solnais et. al., 2013). fMRI techniques originated within the medical field to better detect and assess abnormalities within the body. Since its debut, researchers have taken fMRI technology and applied the technique to garner a greater depth of detail and clarity to brain activation results; therefore, allowing researchers to gain a greater understanding of consumers’ opinions, responses, and physiological processing to a given stimuli. From these findings, researchers continually gain insight to a deeper understanding of consumer needs and wants thus drive marketing communication strategies (Goodman, Wang, Kwon, Byun, Katz, & Deshpande, 2017). fMRI research can showcase consumers cognitive processing and emotional response stripped from the external factors or social situations modifying the human experience.
The usage of fMRI provides highly technical data yet to replicated by other techniques. Past research has yielded the importance of this technique to the field; however, with the emergence of new marketing communication mediums, it is vital to review fMRI usage in current research. Thus, the purpose of this study is to review the last decade of consumer neuroscience researchers’ usage of fMRI techniques in experimental design.

Meta-synthesis was used to gather the findings of numerous research studies in the field of neuromarketing specifically consumer neuroscience. Approximately 70 articles were retrieved using computer databases (One Search and Google Scholar). Search terms used were fMRI neuromarketing, fMRI consumer neuroscience, fMRI, and fMRI experiments. Articles that were not consumer focused nor experimental in nature were not considered for inclusion. Articles were also retrieved by references within articles. Initial article retrieval was not limited to a specific time frame; however, the time frame was later restricted to the last ten years thus dating from January 2009 to December 2019. This resulted in approximately 37 studies for analysis.

Consumer Neuroscience studies can vary amongst research topics, but there are distinct sample commonalities which are intrinsic to experimental design given the limitations of fMRI testing. Cost is a limiting factor which generally confines sample size to a range of 18-27 people (Change, Oboyle, Anderson, and Suttikun, 2016). This sample is most often selected from a larger group of study participants whom completed a preliminary testing method such as a self-report (Shen and Morris, 2016). Due to the cost consideration, it is important for researchers to gain the most representative sample to undergo scanning in order to maintain the integrity of the study. Researchers often look for study participants who meet the following criteria: no history of mental illness, are monolingual, and
right handed (Jai, Oboyle, and Fang, 2014) (Shen and Morris, 2016). These criteria reduce common confounding factors when analyzing the scans.

The average sample participant is in his or her 20s, but the studies analyzed capture participant ages reaching into the 40s. Participants in their 20s are most likely to be selected due to their willingness to participate and proximity to the fMRI scanners used in the studies. 50% of samples are selected from the United States and Germany. While samples are highly concentrated in two countries, fMRI Consumer Neuroscience is an experimental field of study growing in prominence around the world. Within this emerging field of study, several prominent categories of research have surfaced. These include: Advertising, Consumers Online, Mobile Applications, and Retail. The largest set of stimuli used to carry out category experiments are static images because they provide known, isolated variables from which responses are tracked. Retail is currently the largest category of study because it is broad in its capacity to impact business through various applications of findings.

This field is subdivided into six subcategories including: Consumer Decision Making, Brand Perception, Online Presentation, Packaging, Visuals, and Consumer Perception of Brand Crisis. Out of the subcategories, Consumer Decision Making accounts for 38% of Retail topics of research (Lee, Brandes, Chamberlain, and Senior 2017) (Raml, Opitz, Welpe, and Kenning 2014). As the retail landscape is continually increasing in competition, more and more companies are looking for ways to differentiate and distinguish themselves as a brand through a greater understanding of their consumers.

The majority of fMRI Consumer Neuroscience studies were published during the years of 2011, 2014, 2016, and 2017. These spikes could be related to increased access to grants and or increased value in assessing the applicability of studies. 2016 alone accounts for about 22% of studies
published. Several publishers found interest in fMRI Consumer Neuroscience, but none have deeply invested in incorporating material into their publications. Springer Science + Business Media had the highest amount of studies in a given publication. In total, there were no more than 3 studies in one publication.

It is common for fMRI studies to incorporate an additional method of testing to reduce the participants’ selection bias. The most common tests paired with fMRI include: questionnaire, interview, self-report, eye tracking, fNIRS (functional near infrared spectroscopy), survey pretest, and personality test. 45% of studies use self-report as the additional testing method prior to fMRI scanning (Rampl, Opitz, Welpe, and Kenning 2014; Casado-Aranda and Sánchez- Fernández, 2018; Muñoz-Leiva and Gómez-Carmona, 2019). Self-Reports are known for their ease in obtainability and value in reporting individualistic observations amongst participants (Garcia & Gustavson, 1997). These paired tests are valuable in their ability to prescreen fMRI candidates to increase relevancy as well as their ability to assess consumer opinion with neurological scans. As access to technology increases and cost of fMRI experimental studies decreases, it is possible that additional testing methods such as eye tracking will become more standard because of its usefulness in physiological recording.

There are 45 areas of the brain which are activated across the studies. The majority of the areas which were activated in response to experimental stimuli are responsible for a person’s cognitive processing, emotions, and memories. Studies showed that the dorsolateral prefrontal cortex (DLPFC), striatum, anterior cingulate cortex (ACC), and the cerebellum are the most common areas of activation (“Anatomy of the Brain”, 2019) (Rampl, Opitz, Welpe, and Kenning, 2014; Vezich, Gunter, and Lieberman, 2016). DLFC is important in Consumer Neuroscience because of its prominence in facilitating executive functions including selective attention and working memory (Curtis &
D’Esposito, 2003). Striatum activation leads to voluntary movement. The cerebellum also controls voluntary motor movements in response to sensory information. The anterior cingulate cortex processes complex cognitive functions including empathy, emotion, and decision-making. (“Anatomy of the Brain”, 2019). Collectively, these areas of the brain signal responsive engagement to stimuli which in part detects whether or not stimuli resonate with participants.

fMRI research is paving the way for researchers to better understand the human brain. It is the most in-depth way to study brain processing in its authentic form. Understanding consumer brain functioning is essential for retailers to improve the strategic applications of marketing, messaging, and communication to consumers. While costly at present, there are large takeaways researchers can learn from their studies. From those completed, the most commonly activated regions of the brain are the prefrontal cortex and the striatum. Further research should be conducted with larger sample sizes to generalize findings to larger populations. Untapped categories of research are opportunities to apply the understanding of neural signal responses to stimuli through alternative lenses of context such as cultural diversity or social norms for a given region. Neuromarketing and Consumer Neuroscience are still fields of research in their youth. Additional investment through fMRI techniques have the potential to enhance the understanding and application of findings to increase relevancy of stimuli to consumers, ultimately benefitting the firms which apply the findings and the consumers themselves.
References


DOES INSTAGRAM MATTER TO CONSUMERS’ PSYCHOLOGICAL WELL-BEING AND CONSUMPTION BEHAVIOR?

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Introduction

Today, the definition of social environment has been expanded from in-person to online interactions and provides opportunities to interact directly and instantaneously with not only peers and family but also influencers and marketers. This environmental change significantly affects consumers’ life and behavior. Because humans are social animals who seek to have positive relationships with others, such as friends, family and surrounding people (DeWall, Deckman, Pond Jr, & Bonser, 2011). Therefore, consumers’ social media usage might be deeply related to their belongingness. Belongingness is usually studied in conjunction with subjective well-being as well. For instance, social exclusion can be a major cause of anxiety and sense of belonging has a direct relationship with depression (Baumeister & Tice, 1990; Choenarom, Williams, & Hagerty, 2005). In a similar context with belongingness, subjective wellbeing accounts for a large part of consumers’ social life including social media usage. They also suggested that, in other ways, the more people spend time social media, the more they will believe that their overall well-being is improved by social media. Because social interactions and connectedness through social media make an abundant social capital and thus it enhances happiness and well-being (Munzel, Meyer-Waarden, & Galan, 2018).

Due to the fact that social media largely functions as an account of the lives of those who use it, social media activity influences purchasing behavior as well. Many recent studies have identified the importance of communication with consumers through social media with regard to consumers’ purchase intention. According to Smith (2018), 72% of Instagram users make purchasing decisions based on the posts they saw while browsing Instagram. Salpini (2017) also noted that consumers, in particular, make fashion, beauty, or style-related purchases after seeing posts on Instagram. With the explosive growth of social media, mimicry consumption behavior today has become more prominent than ever before. Thus, this research aims to explore how Instagram activities (interaction, browsing,
and broadcasting), consumer belongingness (social connectedness, social assurance), subjective well-being, and intentional mimicry consumption behavior are related to each other.

This study used a research company, Survey Sampling International (SSI), to recruit participants of the study. The total number of participants in this study was 233 ranged from ages 18 to 38 and included both male and female consumers. A structured online survey was created using Qualtrics and distributed through the data pool of the research company. Cronbach’s α values were computed to assess the internal consistency aspect of the reliability of the multi-item scales. Cronbach’s α scores of the Instagram activities were .80 for interaction (m=3.28), .63 for browsing (m=3.87) and .61 for broadcasting (m=3.31), respectively. Cronbach’s α values for mimicry consumption (m=2.82) and subjective well-being (m=3.42) were .90 and .94, respectively. Exploratory factor analysis using principle components with varimax rotation were used to identify the dimensions of belongingness. Two factors of belongingness were identified: social connectedness (m=3.34; Cronbach’s α = 92.) and social assurance (m=3.01; Cronbach’s α = 94).

Correlation analyses were used in this study to examine the relations among the variables-Instagram activities (interaction, browsing, and broadcasting), social connectedness, social assurance, subjective well-being, and intentional mimicry consumption. As displayed in the table below, the results showed that Instagram interaction was significantly correlated with Instagram broadcasting, social connectedness, social assurance, and subjective well-being. Also, Instagram browsing was significantly correlated with Instagram broadcasting, social assurance, and mimicry consumption. However, it was not significantly correlated with social connectedness and subjective well-being. Instagram broadcasting was significantly correlated with social connectedness, social assurance, subjective well-being, and mimicry consumption. Also, social connectedness was significantly
correlated with social assurance, subjective well-being, and mimicry consumption. Subjective well-being was correlated with mimicry consumption. Lastly, subjective well-being was correlated with mimicry consumption.

To sum up, all variables of the current study, except for Instagram browsing, were positively and significantly correlated. However, only Instagram browsing was not related to Instagram interaction, social connectedness, and subjective well-being. The findings of the present study offer implications that, today, interaction and communication through social media play a critical role in consumers’ well-being and consumption behavior.

**Correlation analysis results**

<table>
<thead>
<tr>
<th></th>
<th>V1</th>
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<th>V4</th>
<th>V5</th>
<th>V6</th>
<th>V7</th>
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<tr>
<td>V1: Instagram Interaction</td>
<td>1.00</td>
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<tr>
<td>V2: Instagram Browsing</td>
<td>.024</td>
<td>1.00</td>
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<tr>
<td>V3: Instagram Broadcasting</td>
<td>0.473**</td>
<td>0.222**</td>
<td>1.00</td>
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<tr>
<td>V4: Social Connectedness</td>
<td>0.337**</td>
<td>0.037</td>
<td>0.275**</td>
<td>1.00</td>
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<tr>
<td>V5: Social Assurance</td>
<td>0.362**</td>
<td>0.157*</td>
<td>0.298**</td>
<td>0.660**</td>
<td>1.00</td>
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<tr>
<td>V6: Subjective well-being</td>
<td>0.397**</td>
<td>0.008</td>
<td>0.227**</td>
<td>0.714**</td>
<td>0.542**</td>
<td>1.00</td>
<td></td>
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<tr>
<td>V7: Intentional Mimicry Consumption</td>
<td>0.469**</td>
<td>0.137*</td>
<td>0.310**</td>
<td>0.465**</td>
<td>0.526**</td>
<td>0.475**</td>
<td>1.00</td>
</tr>
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</table>

** Significant at P < 0.01
* Significant at P <0.05
References


ATHLEISURE CLOTHING TRENDS: IS IT A LIFE STYLE SHIFT?

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Global sales for the activewear market is predicted to rise from $197 billion in 2007 to over $350 billion by 2020 (Trefis Team, 2016). This segment is expected to see growth in the coming years (Sherman, 2014). Based on this industry trend, this study aimed to explore the reasons why college students wear activewear clothing and see if there was a relation between college students (n=42) who wore activewear clothing and their work-out habits. Results showed that 69% were extremely satisfied to somewhat satisfied with their bodies when they wore activewear clothing.

Activewear or the ‘Athleisure’ trend has become popular in recent years and has won an entry into the Merriam-Webster dictionary, which defines it as “casual clothing meant to be worn both for exercising and for general use.” Global sales for this market is predicted to rise from $197 billion in 2007 to over $350 billion by 2020 (Trefis Team, 2016). The activewear segment has outpaced the growth of other traditional clothing categories and is expected to see tremendous growth in the coming years (Sherman, 2014). According to Patrick and Xu (2018), there is a growing health awareness and the trend for fitness clothing market has been substantially growing as well.

According to Center for Disease Control (2016), 70.7% of Americans are considered either overweight or obese and according to National Institute of Mental Health (2016), 1 in 5 Americans report living with mental illness. These trends in health coincide with the rising popularity of Athleisure clothing. The Athleisure wear industry increased “17% to $9.6 billion in sales in the past year” (Cheng, 2018). The sales of Athleisure merchandise have been on an upward trend for the past several years. Athleisure merchandise consists of leggings, shorts, and joggers which is now a $1 billion industry alone (Cheng, 2018). In tandem, with the rise in the athleisure apparel, Americans are increasingly trying to be fit by joining gyms, watching their caloric intake, going on juice cleanses, and tracking
exercise through the latest technological advances in watches. Are these trends indicating a shift in Americans lifestyle?

In 2012, Adam & Galinsky introduced the term “Enclothed Cognition” to describe the systematic influence clothes have on the wearer’s psychology. An Enclothed cognition perspective has the potential not only to extend and explain prior research findings, but to also stimulate future research on the impact of clothing and cognitive process. Extending the enclothed cognition perspective, will researchers be able to answer if wearing Athleisure clothes make people feel more fit and healthy? Do people wear athleisure clothing even if they are not planning to work out? Based on these trends and existing research, this study aimed to answer the following exploratory research questions.

**Research Questions:**

RQ1: What percentage of college students who wear Athleisure clothes plan to go to the gym or work out?

RQ2: How satisfied do college students feel about their bodies when they wear Athleisure clothes?

RQ3: How satisfied do college students feel when they wear Ready-To-Wear (RTW) clothes for business casual occasions?

RQ4: What are some of the reasons college students wear Athleisure clothes? RQ5: What percentage of college students have their desired ideal bodies?

**Methods:**

A special topics course on Athleisure wear was developed in a Southeastern University during the Fall 2018 semester. As part of the assignment for the course, students (n=42) enrolled in the course answered the above questions as part of their class assignment. Simple frequencies, bar charts and
qualitative analysis was used to answer the research questions. Discrepancy for Ideal body and current body was measured by asking students to select ideal and current body image using a Stunkard Figure Rating Scale (1983).

**Results and Discussions:**

Results of the study showed that 33.3% (14/42) did not plan to work out or go to the gym when they were wearing athleisure clothes. For the question, how satisfied do you feel about your body when you wear athleisure wear clothing, 69% were extremely to somewhat satisfied, 29% were satisfied, and 2% were extremely to mostly Unsatisfied. Responses to the question, how satisfied are you with your bodies when you wear RTW clothes for business or casual wear, 66% were extremely to somewhat satisfied, 26% were satisfied and 8% were extremely to mostly unsatisfied. Overall students felt more satisfied with their bodies when they wore athleisure clothes. Some of the reasons students mentioned for wearing athlesiure clothing were: comfort, feeling motivated to stay healthy, feeling healthier, skinnier and more attractive, feeling comfortable in own body, ease and comfort, motivated to go to the gym, feeling fit and healthier, feeling stronger, mindset of “gym time”, feeling more attractive, making healthy food choices, feeling more put together than sweats, convenience and comfort. Student responses for wearing athlesiure clothing indicate that enclothed cognition has an impact on why some of the students choose to wear athleisure clothing. For the responses to Stunkard’s figure rating scale only 38% of the students selected their ideal and current bodies the same, hence only 38 % of the students were happy with their current bodies.
**Further Studies and Recommendations:**

Based on the results of the sample, it seems this trend is here to stay as it relates to the core American values of: being active, staying healthy and fit, and looking youthful. This trend is gaining popularity in a time where 70% of Americans are considered overweight or obese, as well as, one in five Americans are living with a mental illness. Is there a relationship between the importance placed on overall wellness and clothing choices of people in a society? Further studies on a bigger sample size are needed to explore the relationship between different variables and this trend. It will also be interesting to see the time college students spend on social media and it’s impact on body image satisfaction/dissatisfaction. Further studies can also explore the relationship between the choice of wearing athleisure wear, exercise habits, and body image. Use of athleisure clothing in everyday settings is a recent growing trend. Published scholarly articles on this research topic is very limited.

**References:**


Track 3: Ethics, Corporate Social Responsibility and Sustainability
CAN A CONNECTION WITH THE PAST SAVE THE FUTURE? A CONCEPTUAL MODEL LINKING THE ROLE OF INDIGENOUS CULTURAL VALUES WITH SUSTAINABLE APPAREL CONSUMPTION

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Abstract

Despite the urgency of protecting the environment, unsustainable apparel consumption prevails. Given culture is pivotal in encouraging sustainability, could a connection with indigenous cultural values encourage intentions toward sustainable apparel consumption? Would environmental concern and attitude toward slow fashion mediate the aforementioned relationship? Could gender influence these relationships? The purpose of the present conceptual study is to propose a model delineating the relationship between consumers’ connection with indigenous cultural values, environmental concern, attitude toward slow fashion, and intentions toward sustainable apparel consumption and how gender may influence these relationships. Theoretical and marketing implications of the conceptual model are suggested.

Purpose

Since ancient times, man had a connection with nature by the virtue of cultural values, folklores, scriptures, and religious rituals (Greenberg, 2015). Even before the inception of religious sects, man worshipped nature within an umbrella of pantheism (i.e., identifying God with universe and its creations) (Mellert, 1999). With time, different religions were formed; however, the religions converged to the idea of nature veneration. Even today, the cultural values of Hinduism, Christianity, Islam, Judaism, Buddhism, and Judaeo-Christianity reflect the importance of worshipping and protecting nature (Bintley, 2016; Cusack, 2018; Dafni, 2006; Dafni, 2007; Garreau, 2010; Haberman, 2010; Hestmark, 2000; McDonald, 2018). However, consumerism has severely affected nature. Textile waste alone contributed to 10.5 million tons of municipal solid waste (MSW) in 2015 that formed 7.6% of total landfilled MSW in the U.S. (Environmental Protection Agency, 2015). Around 70 pounds of clothing is discarded annually by a U.S. citizen (Feitelberg, 2018). While slow fashion (i.e., slow consumption and production) aids in sustainability, consumers’ need for style and self-expression
leads to unsustainable apparel consumption (Harris, Roby, & Dibb, 2016; McNeill & Moore, 2015). Moreover, as sustainable consumption is perceived as feminine, male consumers further refrain from sustainable consumption (Brough, Wilkie, Ma, Isaac, & Gal, 2016; D’Souza, Gilmore, Hartmann, Ibanez, & Sullivan-Mort, 2015). How then sustainable apparel consumption be encouraged? Studies have suggested that culture plays a pivotal role in attaining sustainability (Garreau, 2010; Haberman, 2010). Can a connection with indigenous cultural values help attain sustainability in apparel consumption too?

Despite the discernable connection between culture and act of protecting nature (Garreau, 2010; Haberman, 2010), there is dearth of conceptual models on how a connection with indigenous cultural values can translate into intentions for sustainable apparel consumption. Therefore, the purpose of the present study is to propose a conceptual model (see figure 1) delineating (i) the relationship between connection with indigenous cultural values and intention toward sustainable apparel consumption; (ii) the mediating role of environmental concern in the relationship between connection with indigenous cultural values and intentions toward sustainable apparel consumption; (iii) the mediating role of attitude toward slow fashion in the relationship between connection with indigenous cultural values and intentions toward sustainable apparel consumption; (iv) the moderating role of gender in the relationship between environmental concern and intentions toward sustainable apparel consumption; (v) the moderating role of gender in the relationship between attitude toward slow fashion and intentions toward sustainable apparel consumption.
Theory, Literature, and Propositions

Theoretical Framework: Value-Attitude-Behavior (VAB) Hierarchy

The present study uses the theoretical framework of Value-Attitude-Behavior (VAB; Homer & Kahle, 1988) in proposing the conceptual model. VAB hierarchy posits that individuals’ attitude mediates the relationship between values and behavior (Homer & Kahle, 1988). In the present study, VAB hierarchy is used to explain the mechanism behind developing the propositions with the mediating role of concern for environment and attitude toward slow fashion in the relationship between connection with indigenous cultural values and intentions for sustainable apparel consumption.

Mediating Role of Concern for Environment in the Relationship between Connection with Indigenous Cultural Values and Intention toward Sustainable Apparel Consumption

As indigenous cultural values are ingrained with the idea of nature veneration universally, people highly connected with their cultural values will have high concern for their respective culturally represented sacred elements of nature (e.g., trees, animals, rivers, etc.) (Dafni, 2006; Dafni, 2007; Fowler-Smith, 2018; Garreau, 2010; Haberman, 2010; Haberman, 2017; Hiebert, 2001; Keswani, 2017; Mellert, 1999; Sabharathnam, 2009). As such, these people who are highly connected with their cultural values are expected to protect nature by the virtue of cultural belief systems, rituals, rites, and social interactions (Fowler-Smith, 2018; Garreau, 2010; Haberman, 2010; Haberman, 2017; Hiebert, 2001; Mellert, 1999; Sabharathnam, 2009). As attitude toward environment positively influences concern for environment (Ghazali et al., 2018), people highly connected with their indigenous cultural values are expected to have high concern for environment. Also, when people perceive nature as self, they cease to see themselves as the end-users of products and become contributors to nature,
translating into sustainable consumption (Johnson et al., 2017; Perera & Hewege, 2018). Therefore, when consumers are highly connected to their cultural values, they should have a high propensity to perceive themselves as an integral part and contributor of nature, begetting sustainable consumption behavior. For example, tree veneration influences the eco-conscious responses (Fowler-Smith, 2018; Greenberg 2015; Haberman, 2010; Haberman, 2017). As pro-environmental moral norms about how apparel consumption can negatively impact environment engenders sustainable apparel consumption (Taljaard et al., 2018), consumers highly connected to their cultural values should have high intentions for sustainable apparel consumption.

Further, when people have high self-transcendence, they can even choose to protect environment compromising their own needs to become one with God (Johnson et al., 2017; Perera & Hewege, 2018) or to attain self-fulfillment (Fraj & Martinez, 2006; Pekkanen et al., 2018). These people can have high positive attitude toward sustainable apparel and pro-environmental values (Kim et al., 2016). They often manifest positive attitude toward circular fashion (Vehmas et al., 2018), engage in clothing donations (Joung & Park-Poaps, 2013), or refrain from purchasing apparel when they have high environmental concerns (Hwang et al., 2016). Religiosity in particular, can motivate consumers to consume sustainably, pay premium price, (Hwang, 2018), and engage in green purchase intentions (Ghazali et al., 2018). Therefore, based on these findings and VAB hierarchy, the following propositions are developed:

**P1:** Connection with indigenous cultural values positively influences intention toward sustainable apparel consumption.

**P2:** Concern for environment mediates the relationship between connection with indigenous cultural values and intentions toward sustainable apparel consumption.
Mediating Role of Attitude toward Slow Fashion in the Relationship between Connection with Indigenous Cultural Values and Intention toward Sustainable Apparel Consumption

A strong connection to indigenous cultural values implies an individual’s perceived importance for traditions, moral values, localism, and love for nature (Cusack, 2018; Dafni, 2006; Dafni, 2007; Haberman, 2010; Hiebert, 2001; Keswani, 2017; McDonald, 2018). Slow fashion too, incorporates the elements of tradition, moral values, localism, and sustainability (Jung & Jin, 2014). Therefore, it could be expected that a strong connection with indigenous cultural values will positively relate to the attitude toward slow fashion, which incorporates similar values about traditions, morality, localism, and sustainability. For example, indigenous cultural values revolve around worshiping local plants/animals/river, etc. through traditional rituals and rites (Dafni, 2006; Dafni, 2007; Das & Tamminga, 2012; Sengupta, 2010). As such, it could be expected that a strong connection to indigenous culture could facilitate relating with local and traditional craftsmanship more readily, thereby aiding toward slow fashion. Further, slow fashion thrives on slow production and consumption thereby minimizing exploitation of natural resources (Jung & Jin, 2014). It resonates with indigenous cultural values that encourage self-transcendence and identification of oneself indistinguishable from nature, protector of nature, and contributor to nature, while discouraging exploiting nature for individual benefit (Johnson et al., 2017; Perera & Hewege, 2018). Such values can translate into sustainable consumption. For example, some consumers can sacrifice their need for self-expression and engage in need-based apparel consumption practices (McNeill & Moore, 2015). Therefore, based on these findings and VAB hierarchy, the following proposition is developed:

P3: Attitude toward slow fashion mediates the relationship between connection with indigenous cultural values and intention toward sustainable apparel consumption.
Moderating role of Gender in the Relationship between Concern for Environment, Attitude toward Slow Fashion, and Intention toward Sustainable Apparel Consumption

Nature is perceived as female (Mellert, 1999). The concepts of environmental protection, greenness, and sustainable consumption is perceived as feminine (Brough et al., 2016; Cho et al., 2015; Luchs & Mooradian, 2011; Pinto, Herter, Rossi, & Borges, 2014). Also, female consumers’ higher environmental ethics and concern makes their propensity to consume sustainably higher than male consumers (Bulut et al., 2017). Interestingly, male consumers’ willingness to pay higher for sustainable products could be high when their environmental concern and knowledge are high, as long as the brand image or the products are not explicitly attached with sustainability. It implies male consumers refrain from sustainable consumption for gender-identity maintenance (Brough et al., 2016). As slow fashion is perceived as sustainable too (Cataldi et al., 2010; Clark, 2008; Jung & Jin, 2014, Jung & Jin, 2016), it could be expected that female consumers’ attitude toward slow fashion would be more positive than male consumers. Based on these findings, the following proposition is developed:

**P4:** The positive influence of (P4a) concern for environment on intention toward sustainable apparel consumption and (P4b) attitude toward slow fashion on intention toward sustainable apparel consumption will be stronger for female consumers as compared to male consumers.

Based on the propositions mentioned above, the following conceptual model is proposed (Figure 1):

![Conceptual Model](image)

*Figure 1. Conceptual model.*
Significance/Implications of the Study

In terms of the theoretical implications, the proposed conceptual model fills important gaps in the literature pertaining to the relationships between connection with indigenous cultural values, environmental concern, slow fashion, and intention toward sustainable apparel consumption. Further, sustainability messages are often ineffective in bridging the gap between pro-environmental attitude and behavior, when male consumers do not identify their gender with it (Brough et al., 2016) or when consumers perceive the messages as green washing (i.e., skepticism about the veracity of green claims; Magnier & Schoorman, 2015). Therefore, in terms of the marketing implications, the proposed conceptual model will help in devising advertising messages by masking explicit sustainable messages with indigenous cultural values of consumers, which essentially talks about sustainability (e.g., nature veneration) but with a different sentiment. This could help in encouraging intention toward sustainable apparel consumption by targeting consumers’ cultural value related sentiments.

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GEN Z AND MILLENNIALS: DO THEY CARE ABOUT SUSTAINABILITY IN FASHION PRACTICES?

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Introduction

Fast fashion has been a very prominent component of the fashion industry throughout the past few decades. Recently, however, the downsides of the fast fashion model have been brought to light and, as a result, consumers are beginning to shy away from these kinds of shopping habits. It has become apparent that fast fashion is not economically efficient for the consumer in the long run and non-ethical in terms of sustainability (Fletcher, 2007). The recent downfall of fast fashion has paved the way for a new, upcoming popular fashion trend: slow fashion. Slow fashion strives to create a more sustainable, economical, and ethical fashion movement based on the areas where fast fashion has failed. This new movement strives to follow more sustainable fashion trends, rather than quick-changing fads (Fletcher, 2007). In today's market, we have seen growing popularity within various slow fashion routes, such as shopping from second-hand and vintage stores, upcycling old clothes, and purchasing sustainably made clothes. All of these methods work towards creating a more sustainable fashion cycle by reducing waste and promoting ethical practices.

As we are becoming more aware of our negative effects on the environment, our society is feeling the pressure to live a more eco-friendly lifestyle (Gericke, Pauw, Berglund, & Olsson, 2017). Being environmentally conscious has become a popular trend throughout all lifestyle choices, and slow fashion gives consumers the ability to apply these ideologies to their apparel choices (Fletcher, 2007). It is apparent that today’s consumers hold a variety of different values that draw them to slow fashion, whether it be sustainability, ethics, economics, or orientation to fashion (Jung & Jin, 2014). Likewise, the way a consumer chooses to participate in slow fashion also varies. Particular consumer values lead to favor in slow fashion, and favor in slow fashion leads to particular consumer behaviors.
Understanding how these consumer values and behaviors are related to slow fashion within the Generation Z and Millennial demographics is the primary topic of research in this study. By evaluating which behaviors are most common and preferred amongst this particular market, we can determine the most effective way to implement slow fashion into the industry. This study aims to examine Gen Z and Millennial consumers’ 1) orientation to slow fashion, 2) level of sustainability consciousness through the lenses of sustainability knowingness, attitudes and behaviors, 3) and slow fashion behaviors. This study also investigates how consumer orientation to slow fashion, sustainability consciousness, and slow fashion behaviors are related.

**Research Methodology and Results**

Data was collected from a convenience sample of both male and female undergraduate and graduate students aged between 18 and 40 at a large southeastern university in the United States. A structured online survey was created using Qualtrics and distributed through the university e-mail with their email-ids. Survey participants were asked questions measuring their slow fashion behaviors, orientation to slow fashion, and level of sustainability consciousness (sustainability knowingness, attitudes, and behaviors). A total of 1855 responses were used in the data analysis from the sample participants who completed the survey. The majority of the respondents were female (73.7%) and age between 18 and 24 (76.3%) who are falling under Gen Z. The reliability coefficient of Cronbach’s α was examined to ensure an acceptable level of internal consistency of each scale. The Cronbach’s α for each variable revealed that .66 for slow fashion behaviors (m = 2.74), .84 for orientation to slow fashion (m = 3.16), .93 for sustainability knowingness (m = 4.18), .91 for sustainability attitudes (m = 4.28), and .80 for sustainability behaviors (m = 3.41).
Exploratory factor analyses using principle components with varimax rotation were used to identify dimensions for each variable of the study. The factor analyses results showed that the slow fashion behavior contains only one constructs with Cronbach’s α of .74 and the orientation to slow fashion has three constructs: equity (Cronbach’s α = .92), exclusivity (Cronbach’s α = .83), and localism (Cronbach’s α = .82). Sustainability knowingness consisted of two factors: socio-economic knowingness (Cronbach’s α = .92) and environmental knowingness (Cronbach’s α = .85) and sustainability attitude consisted of two factors: environmental attitude (Cronbach’s α = .88) and socio-economic attitude (Cronbach’s α = .82). Sustainability behavior showed three factors: environmental behavior (Cronbach’s α = .74), social behavior (Cronbach’s α = .70) and organizational behavior (Cronbach’s α = .60).

Correlation analyses were used to examine the relations among the variables identified in this study. As displayed in the table below, the results revealed that environmental knowingness was significantly correlated with socio-economic knowingness, two constructs in sustainability attitude (environmental & socio-economic), three constructs in sustainability behavior (environmental, social, & organizational), two constructs of slow fashion orientation (equity & localism), and slow fashion behavior. However, it was not significantly correlated with exclusivity in slow fashion orientation. Unlike environmental knowingness, socio-economic knowingness was significantly correlated with all of the variables included in the study.

Environmental attitude was significantly correlated with socio-economic attitude, behavior (environmental, social, & organizational), equity in slow fashion orientation and slow fashion behavior. However, it was not significantly correlated with the other two constructs of slow fashion
orientation. Unlike the environmental attitude, socio-economic attitude was significantly correlated with all of the variables included in the study.

Environmental behavior was significantly correlated with social and organizational sustainability behavior, two slow fashion orientation constructs (equity & localism), and slow fashion behavior. However, it was not significantly correlated with the exclusivity dimension of slow fashion orientation. Social sustainability behavior was significantly correlated with organizational behavior, equity and localism dimensions of slow fashion orientation, and slow fashion behavior. However, it was not significantly correlated with exclusivity. Organizational sustainability behavior was significantly correlated with all three constructs of slow fashion orientation and slow fashion behavior. The equity dimension of slow fashion orientation was significantly correlated with other two constructs in slow fashion orientation (exclusivity & localism) and with slow fashion behavior. Exclusivity was positively correlated with localism in slow fashion orientation and slow fashion behavior, and localism was significantly correlated with slow fashion behavior.

References


## Correlation Analysis Table.

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** Significant at P < 0.01
*Significant at P <0.05
Track 4: Local, Global Retailing and Entrepreneurship
A CONCEPTUAL REVIEW OF FASHION ENTREPRENEURSHIP SELF-EFFICACY: TO BE A SUCCESSFUL FASHION ENTREPRENEUR

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Introduction

Economy development strives to create more diverse and vibrant businesses and to sustain economic growth. The cultural-related entrepreneurship establishes a growing source of employment and economic development. The fashion industry with a focus on culturally creative and diverse products, as well as leveraging locally produced agricultural products, has great potential to cultivate Micro and Small Enterprises (MSEs). Although the population of fashion entrepreneurs has been increasing notably, many new business ventures are still having difficulties in the start-up stage and struggling to develop practical strategies to grow their businesses. To facilitate the development of fashion entrepreneurs, the necessary skills and capacity for an individual fashion entrepreneur should be identified to grow and run a small fashion business, therefore, business incubation services can support them better than before.

Having a belief that one has the ability to succeed is crucial in any task. Self-efficacy is the term used to explain this belief (BarNir, Watson, & Hutchins, 2011). Self-efficacy has been found to be positively correlated with academic success (Multon, Brown, & Lent, 1991) and with maintenance exercise (McAuley, 1993). A previous study has developed a construct for entrepreneurship self-efficacy to test whether an individual’s belief in which individual can perform the tasks that are needed to operate a business (McGee et al., 2009) has an impact on entrepreneurial action, intent, and varying other behaviors.

Recently, scholars have started calling for specific research on industry-domain-based entrepreneurship. However, the extant literature lacks fashion domain-based entrepreneurship research. As Richardson noted (1996), “fashion apparel is a highly competitive business where product life is short and differentiation advantages are built on brand image and product styling that can be quickly imitated” (p. 400). Researching fashion domain-based entrepreneurship is critical to advocate fashion
entrepreneurship. Therefore, the purpose of this research is to conceptualize fashion entrepreneurship self-efficacy, a potential attribute supporting the success of fashion entrepreneurs.

**Literature review and conceptual framework**

Different from other business areas, the fashion industry is always viewed as an industry that innovation is highly involved because as fashion trend changes frequently and consumers always demand new and innovative products in the market (Pasquinelli, 2012). Product design and development, business management and product manufacturing knowledge are all involved in the success of fashion entrepreneurship (Rao, 2017). Shi et al. (2012) found that the absence of these skills that are required in the operation of the fashion business has caused a higher failure rate. Pursuing entrepreneurship in the fashion industry requires strong self-efficacy because fashion changes frequently and there is always a demand for new and unique fashion products. Solely having the enthusiasm and desire to pursue fashion entrepreneurship is not enough. According to Unay and Zehir, (2012), in addition to creativity and innovation, the fashion business also needs entrepreneurs to have sophisticated managerial skills. Before starting the fashion business, it is necessary to evaluate one’s ability whether or not it is a feasible option. Previously, Zhao et al. (2005) incorporated various aspects of entrepreneurship, i.e. finding novel business opportunities, product innovation, creatively thinking, and implementing the new idea, to measure entrepreneurs’ self-efficacy. An entrepreneur is expected to be a risk-taker, innovator, relation builder, as well as a goal achiever (Chen et al., 1998). To this end, five factors of entrepreneurship are emerged, including marketing, innovation, financial control, management, and risk-taking.

*Perseverance of effort* reflects the degree to which people will keep doing without giving up when meeting difficulties and problems during the operation of the business. Inevitably, risks and challenges
exist in any business. The level of effort, length of perseverance, resistance to face an obstacle, risk, adversity, or failure, are also influenced by self-efficacy. Therefore, the perseverance of effort is related to our internal control. In a new business venture, entrepreneurs will be concerned about how sustainably they drive the required energy to cope with the challenges of establishing, managing, and prosper the business (Kristiansen & Indarti, 2004).

**Marketing and planning** refer to the ability to introduce promote the brand and merchandise in the market. It may also include identifying/recognizing new opportunities in the market. The current fashion industry is competitive and it is hard to forecast consumers’ preferences, to meet sales goal and establish a position in the market becomes more critical for a fashion business. Having a practical market planning and strategy will increase the possibility for the business to succeed. Such skills include estimating customer demand, determining a competitive price for a new product, developing a new product marketing campaign, and so forth.

**Financial implementing** refers to the ability to manage finance and obtaining funding for the operation of the business. It is the confidence of an entrepreneur to organize, finance, and manage his financial assets. To make a profit is the goal for all entrepreneurs. They need to know how to manage the financial issues in the running of the business and to ensure healthy cash flow. McGee et al.’s (2009) model emerges implementing a financial construct that includes an entrepreneur’s responsibility to take the financial risk and run the business. Financing a new venture is a great challenge to an entrepreneur. The ability to manage finance and obtaining funding for the business keeps an entrepreneur ahead to become successful.
**Product assortment and development** refers to the ability to handle and manage fashion items in the operation of the business. A fashion entrepreneur’s concept and application of fashion product quality, its developmental process, and integration of consumer feedback strive towards the success of the fashion business. The product development process involves steps transforming an idea into a product, which is critical to a new business venture. Innovative methods and resources are required in the textile and fashion businesses to differentiate from others and to enhance the product development process (McKinsey & Company, 2017). Especially trends are the major influences in the fashion business. Buying the right merchandise and keep the right amount of inventory are the most challenging tasks in running the fashion business. Having too much of an item can lead to bad stock and loss of profits. The capability of dealing with various risks and challenges related to inventory management is crucial for a fashion entrepreneur. Making adjustments on product specifications before placing the order according to the need of the target consumer can help to reduce the operating expenses and costs associated with product return and subsequent loss of customers (Ghaani Farashahi, 2019).

**Innovation and creativity** refer to the ability to use the imagination or original ideas in the merchandise development. Innovation adds significant value in products and services that a customer requires by identifying new ways and new processes of doing things, however, the customer may not identify the innovation (Kellogg et al., 2002). An entrepreneur has to understand the process and product innovation where it is a common practice for successful companies (Hisrich, 2004). Gerber (2011) describes self-efficacy for innovation as a person’s belief associated with that person’s ability in accomplishing necessary tasks for innovating. Fashion entrepreneurs who are also the designers need to have the ability to use the inspiration and envision to explore what garment can be constructed out of certain fabric, and what body should look best in it. The fashion industry essentially works on future trends and innovation is a key characteristic of this industry (Okonkwo, 2007). Overall, a higher degree
of innovativeness helps fashion entrepreneurs to achieve higher performance by competitive advantage (Ünay & Zehir, 2012).

**Discussion**

According to literature, five domains were categorized to characterize the fashion entrepreneurship self-efficacy: perseverance of effort, marketing and planning, financial implementing, product assortment and development, innovation and creativity. It is clear that the major predictor of entrepreneurial interest or intention is entrepreneurial self-efficacy. Future quantitative research will be conducted to evaluate the five categories concerning fashion entrepreneurship self-efficacy.

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The purpose of this study is to identify the recent industry trends in M&A activity among public firms in the U.S. apparel retail industry between 2000 and 2018. More specifically, this study examines the impact of diversifying and technology-driven M&As on the acquiring firm’s financial profitability and operating efficiency.

**Keywords:** mergers and acquisitions, industry diversification, technology acquisition, U.S. apparel retail industry, corporate strategy

**Background and Objective:** Since 2000, the apparel retail industry experienced significant growth and consistently ranked among the top industry groups for M&A activity in the United States in both the number and dollar value of transactions (Hogan et al., 2015). In fact, the value of global Apparel M&A transactions in 2018 totaled 3.4 billion U.S. dollars and is expected to continue to increase in 2019 (Duff & Phelps LLC., 2019). In addition, an increasing number of U.S. firms are strategically acquiring companies in different industries to broaden their business portfolio and acquiring new technologies through M&As to gain a competitive advantage in the global market. The purpose of this study is to identify the recent industry trends in M&A activity among public firms in the U.S. apparel retail industry between 2000 and 2018. More specifically, this study examines the impact of diversifying and technology-driven M&As on the acquiring firm’s financial profitability and operating efficiency.

**Literature Review:** Mergers and acquisitions (M&As) have been studied extensively in the field of finance and economics for many years, however, the financial outcomes of M&As remain unclear to academic researchers (Andrade, Mitchell, & Stafford, 2001). While one academic perspective argues that diversifying M&As generate a ‘diversification premium’ which create synergies between the two companies and generate competitive advantage, the opposing perspective argues that diversifying
M&As generate a ‘diversification discount’ and contribute to the value loss for the acquiring firms (Cartwright & Schoenberg, 2006; Larsson & Finkelstein, 1999; Lubatkin, 1987; Ravenscraft & Scherer, 1989). Similarly, insight into the outcomes of technology-driven M&As among retailers remains underexplored from an academic perspective. To address this shortcoming, this study examines the manner that U.S. apparel retail firms respond to M&As in two different situations, industry diversification and technology acquisition.

Data and Methods: Two financial databases are accessed for the purpose of this study, Thomson One Banker’s SDC Platinum and Compustat. Thomson One Banker’s SDC Platinum database provides M&A related information and Compustat provides annual reports for U.S. apparel retail firms. The M&A cases are selected based on the following criteria: 1) the acquiring firm must be a U.S. public firm, 2) the acquiring firm must own less than fifty percent of the target firm prior to the M&A, and own more than fifty percent of the target firm following the M&A, 3) the acquiring firm must fall within ‘clothing and clothing accessories stores’ NAICS (North American Industry Classification System) codes (448000-448999). The initial sample includes 155 M&A transactions in the U.S. apparel retail industry between 2000 and 2018. For industry diversification analysis, M&A transactions are classified as diversification M&As if the target firm’s primary NAICS code is not from ‘clothing and clothing accessories stores’ (448000-448999) or apparel manufacturing related codes. For technology acquisition analysis, M&A transactions are classified as technology-driven M&As if the target firm has one or more patents within the five-year period prior to the M&A announcement date. Then, the study contrasts non-diversifying vs. diversifying and non-technology driven vs. technology-driven M&As based on the following variables: target firm country of origin, organization type, total value of transaction, deal attitude, and consideration type. The study employs t-tests and chi-squares to measure the differences in diversifying versus non-diversifying M&A transactions and technology-driven M&As.
driven versus non-technology-driven M&A transactions for continuously measured variables and nominal variables, respectively. For financial profitability and operating efficiency analysis, two separate period windows are constructed to compare pre and post M&A performance: five years before (pre-M&A) and five years after (post-M&A) the M&A announcement date. Financial profitability variables include ROA, ROE, & operating cash flows and operating efficiency variables include total asset turnover, fixed capital expenditures, R&D expenditures SG&A expenditures.

Results and discussion: The result suggests that the number of M&A activities in the U.S. apparel retail industry significantly increased after 2000. Among the 155 M&A transactions between 2000 and 2018, 53 transactions (34%) are classified as diversifying M&As and 102 transactions (66%) are classified as non-diversifying M&As. Among the diversifying cases, apparel retail firms acquired firms from publishing, internet software & IT services, healthcare equipment & supplies, and other retail industries. The results also indicate that both financial profitability and operating efficiency measures of acquiring firms under both M&A types (diversifying and non-diversifying) experienced statistically significant declines following the M&A announcement (p< 0.001). Therefore, the result of this study supports the theoretical position of ‘diversification discount’ from the literature. The possible explanations for the financial declines following the M&A include the managerial difficulties which can arise from different languages, corporate culture, accounting policies or legal systems (Harrison, Hitt, Hoskisson, & Ireland, 1991; Hoskisson, Hitt, & Hill, 1991).
Implications and future research: The findings of this study contribute to the existing literature by identifying recent trends in M&A activity in the U.S. apparel retail industry and subsequent financial impact on acquiring firms by among industry diversification and technology acquisition M&As. This study suggests that M&As are a popular strategy for business development and technology integration among U.S. apparel retail firms, despite empirical evidence of negative financial outcomes. Future research can enhance understanding of this outcome by applying in-depth qualitative approaches such as case studies to develop an understanding comprehensive framework for the potential drivers of financial declines in profitability and operating efficiency. Also, additional attention to the effect of diversification M&As on the acquiring firm’s stock performance can shed light on the impact of these activities within the industry.

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NOT YOUR ORDINARY MALL: ENGAGING THE CUSTOMER OF THE FUTURE

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Abstract: The purpose of this conceptual abstract is to gain a strong understanding of stimulants and cues that minority customers are drawn to and impacted by when deciding if the mall is the right place to spend time and shop. There is a lack of attention as it pertains to mall patronage and minority groups. More than ever before the customer is faced with a plethora of choices as it relates to shopping. The shift in the population will also dictate consumption trends. Mall developers and retailers must view these changes as an opportunity to innovate their current business strategies.

Significance of the Concept

In a report by the US Department of Commerce, the US population will reach 400 million by 2051. By 2044, more than half of all Americans will belong to a minority group, and by 2060 nearly 1 in 5 people in the United States will be foreign born (Colby & Ortman, 2015). From 1970 to 2017 there was a surge in mall development throughout the United States and as of 2017, there are 116,000 malls. This is an increase of 287% since 1970 (O’Connell., 2019). However, since 2009, there has been a decline in the vacancy rate of malls by about 8% (Im & Ha, 2011). In 2019, the vacancy rate has climbed to an average of 13%, and the predictions for the future remain with double digit vacancies (Rudden, 2019).

The purpose of this conceptual abstract is to gain a strong understanding of stimulants and cues that minority customers are drawn to and impacted by when deciding if the mall is the right place to spend time and shop. There is a lack of attention as it pertains to mall patronage and minority groups. More than ever before the customer is faced with a plethora of choices as it relates to shopping. The shift in
the population will also dictate consumption trends. Mall developers, mall management and retailers must view these changes as an opportunity to innovate their current business strategies.

**Synthesis of Relevant Facts, Data and Literature**

Khan & Choudary (2014) focus on Bitner (2002) that the ambiance of the physical area or servicescapes has a direct impact on the consumer’s behaviors. In an article by Bitner (1992), she mentions that managers are constantly looking to change up the physical surroundings but do not have a full understanding of the implications. The desire to change can be associated with the demands of the retail industry/marketplace. Bitner (1992) refers to the physical store as a factory because it is where the customer experiences service. The time frame that the customer is in the store is important because there are several cues. Spatial layout is an environmental cue and can impact a customer’s decisions and expectations (Baker et al., 2002). These cues play an important role by influencing the consumer’s perception of the organization’s image and can ultimately influence their satisfaction (Bitner 1992). Using Bitner’s study as a foundation, the concept of the organization’s environment is tangible and the implications could be correlated to financial outcome, negative or positive, as well as, increased foot traffic and patronage.

Mehrabian and Russell (1974) focus on the PAD model, pleasure, arousal, and dominance along with the SOR model and serve as a backdrop for the following articles. The study by Donovan and Rossiter (1982) researches the impact of the emotional state, pleasure and arousal and place practical value on their study from the retailer’s perspective. If retailers can better understand the impact of environmental changes and shopping behavior than retail management can execute plans that are more aligned with consumer preferences, create a larger return on investment, and establish customer loyalty. By testing the SOR model, the researchers discovered that all the responses to the environment
were either approach or avoidance (Donovan & Rossiter, 1982). How an individual behaves in the environment seems to be negative or positive. For example, my desire to physically stay or continue to explore the retail space is either approach (positive) or avoidance (negative). Fiore and Kim (2007) speak of shopping as more than acquiring merchandise. The shopping experience involves entertainment, store design, and more. These behaviors are how retailers are currently treating their spaces. Additionally, the treatment of the retail environment is a product of how people are shopping today and how it has evolved. Fiore and Kim (2007) mention shopping early on as a more logical process or utilitarian. A customer shops to fulfill a need such as, purchasing work shoes.

Moreover, Fiore and Kim (2007) incorporate within the SOR model, the CEV model by Holbrook (1986) which encompasses mental occurrences such as, memories and fantasies during the process of consumption. The importance of the CEV model is within the organism there is “value”. Fiore and Kim (2007) refer to value as, the consumer’s perceived benefits from the shopping experience. The value portion of the model is important as many retailers look at their environments and future strategies. Perceived value from the consumers is aligned with the entire experience, from entering the facility to exiting which can motivate a customer with an intention to revisit and purchase.

STORY located in New York City’s Chelsea neighborhood was founded by Rachel Shechtman and purchased by Macy’s in 2018 (Dennis, 2018). STORY is famous for bringing immersive experiences to visitors and customers by changing out its store front theme every 6-8 weeks. The change is not small. Change at STORY means recreating to fit the intended theme. Additionally, the premise of the store is to bring unique experiences. It is those unique experiences that make this an important and relevant example of how environmental cues from Bitner (1992) and Baker et al., (2002), along with the SOR model from Donovan and Rossiter (1982), Im and Ha (2011), Cortazar and Vela (2018), and
Fiore and Kim (2007) converge together to enable consumers through a robust shopping experience find the value behind shopping once more.

The article by Cortazar and Vela (2018) refer to the application of the SOR Model in Latin American malls. Although the cities of the malls were not published, the researchers stated seventeen malls were visited and were among the largest in the region, all facilities were larger than 40,000 square meters (Cortazar & Vela, 2018). The researchers looked at the impact of natural environments and its impact on mall images as it relates to attitudes. The researchers define natural environment as an environment inspired by nature. Overall, the study proves that consumers who visit malls are behaviorally affected by the design and architecture of a physical space. Developing a unique atmosphere in the mall may result in greater value for the customer which optimizes the visitors experience (Cortazar & Vela, 2018). The importance of this study is to discover research and practical implications outside the United States. Regardless of the region or country there seems to be a common theme where consumers are impacted behaviorally by the stimulants in the physical space. The gap in the literature is the small number of articles published with a focus on minority patronage of malls in the United States. The majority of publications heavily focuses on stimulants and cues but not directing the study to a minority group.

**Proposal for Future Action**

The purpose of this conceptual paper is to gain more knowledge about how minority customers are impacted by stimulants and cues. As a result, mall developers and retailers can use these experiences and behavioral intentions to innovate current malls to drive foot traffic and patronage. The need for change is apparent with a continuous shift in the population with 1 in 5 Americans being foreign born by 2060 (Colby & Ortman, 2015). Additionally, the increase in double-digit mall vacancy rates is also a sign for new business trajectories. The next step in this research study is to gather qualitative data
through semi-structured interviews to fully explore this phenomenon more accurately. Therefore, having conversations with consumers, the research study’s findings can have an impact on the development strategies of mall developers, current mall management and retailers.

Reference Page


AFRICAN RETAILING

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Retailing in a developing country undergoes some predictable changes. My work in China and India identified some of those changes. Governments play an important role in this development, either helping or hurting the modernization of the distribution system. Some governments believe that they help smaller retailers by restricting FDI in retailing, or requiring local joint venture partners. Other governments seek to encourage FDI as a way to modernize the distribution system. The Ethiopia government believes that the local retail sector will benefit from the government’s investment in state-owned cash-and-carry wholesaler Alle, before allowing international retailers access to the market. Each government has a different view of what would be helpful.

China is a good example of a country that initially restricted FDI, believing that they would develop the distribution sector by limiting FDI and supporting state-owned enterprises. However, it wasn’t until they opened up the retail sector that they saw rapid modernization. India, on the other hand has continued to ban FDI in retailing, unless a company sold only a private label. The modernization of their retail sector has been limited. Today, over 90% of retail sales in India are in karana shops, very small stores that sell merchandise off-invoice to avoid paying sales tax.

Kenya is a country that has retailing potential. My secondary research before going to Kenya identified four major chain-store retailers operating there. Since my interest is retailing in transitional economies I needed to talk with people who had implemented components of a chain store strategy, including central buying. However, in the last few weeks before leaving I began to read of large-scale store closings by these retailers. So, part of what I was interested in was asking what happened?
I met with CEOs and VP of buying divisions of these major retailers. I also talked with CEOs of second tier retailers. One of my interviews was with the CEO of RETRAK, a retail industry trade group. This CEO had some interesting observations about why so many of these companies had closed so many stores so quickly. She attributed it to these are all family owned businesses, that grew from a single store to sometimes hundreds of stores. However, the owners did not invest in systems that would accommodate this growth. They were interested in opening more stores and profit. They used negative working capital, money they owed to suppliers to allow this rapid growth. Eventually when suppliers were not paid, they stopped supplying the retailers. Many of the original CEOs are being investigated for bribery and fraud. The second-tier retailers are implementing control systems from the very beginning. None of the retailers I interviewed had true central buying which would allow them to have inventory control down to the SKU level.
Track 5: Omnichannel Retailing & Social Media
SECRETS OF SUCCESSFUL OFFLINE SHOWROOMS IN THE AGE OF OMNICHANNEL RETAIL: A CONTENT ANALYSIS OF EMPIRICAL EVIDENCES

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Abstract

Many Once-Online-Only retailers realized that opening physical stores or showrooms can help to increase sales and demands across all channels while reducing the operational costs of shipping orders and receiving returned products. Although the impact of showroom/physical stores on omni-channel retailers has been investigated by prior studies, less is known about how information and fulfillment flow between channels when offline store plays a complementary role, what factors make an offline store strategy successful, and what types of retailers are more likely to be benefited by opening physical stores/showrooms. This study conducted a systematic content analysis to answer these questions.
Based on an information and fulfillment matrix proposed by Bell (2014), online retailers’ showroom strategy allows consumers to gain information offline and fulfill orders online. For example, Alibaba, an online retail magnate in China, aims to break the boundary between traditional store retailing and e-tailing through integrating all the information and logistics both offline and online to sell more products in a more efficient and profitable way. Consumers can try on apparel in one of Alibaba’s stores and then use Alibaba’s mobile app to place an order that is delivered to home within 24 hours (PwC, 2017). In this circumstance, Alibaba’s store plays a role of showroom, which complements its online channel and offers benefits (e.g., touching and feeling products, personal service, and risk reduction) that online channel cannot provide (Bell, Gallino, & Moreno, 2017; Levy, Weitz, & Grewal, 2019). In recent years, many Once-Online-Only retailers (e.g., Amazon, Warby Parker, Adore Me, Bonobos, BaubleBar etc.) opened physical stores because they realized that opening physical stores or showrooms can help to increase sales and demands across all channels while reducing the operational costs of shipping orders and receiving returned products (Bell et al., 2017). Temporary showrooms (“pop-up” shops or movable stores) are also anticipated to have the similar advantages of boosting awareness and total demand (Bell, 2014). Du, Wang, & Hu (2019) claimed that opening physical showrooms could help retailers alleviate consumer disappointment aversion caused by offline stock-out uncertainty and/or online product value uncertainty because consumers could select a complementary channel (e.g., website or mobile app) to acquire products after they received assurance by touching and seeing products in person in the showrooms. Savastano, Bellini, D’ascenzo, and De Marco (2019) conducted a multiple-case study with 15 retailers in Italy and found that using innovative technologies in offline stores could enhance consumers’ shopping experiences, which in turn resulted in a superior brand image and a stronger brand loyalty.
Although the impact of showroom or physical channel on omni-channel retailers has been investigated by prior studies (e.g., Bell et al., 2017; Du et al., 2019; Savastano et al., 2019), less is known about how information and fulfillment flow between channels when offline store plays a complementary role, what factors make an offline store strategy successful, and what types of retailers are more likely to be benefited by opening physical stores or showrooms to complement the other channels they already have. To answer these questions, this study conducted a systematic content analysis of relevant prior studies. We applied Mayring’s (2000) four-step content analysis procedure: 1) material collection, 2) descriptive analysis, 3) category selection and 4) Material evaluation. 80 peer-reviewed research articles were obtained using a structured keyword search through major databases [i.e., Elsevier, Emerald, Springer, Wiley and library services (e.g., Ebsco, Scopus, Metapress, and Subito)]. During the searching stage, we used carefully selected keywords (e.g., omni-channel, channel integration, showroom, and pop-up shop) that fit the purpose and scope of this study. The plural forms, suffixes and delimiters of the keywords were all used to include all possible combinations of the terms. All the articles were published in the SJR Q1 journals in the field of business, marketing, management, e-commerce, and retailing.

The analysis results show that omni-channel retailers’ physical stores mainly play two roles: warehouse and showroom, and offer five types of services: buy-online-pickup-in-store (BOPS), reserve-online-pickup-and-pay-in-store (ROPS), buy-in-store-ship-direct (BSSD), traditional brick-and-mortar in-store fulfillment (ISF) and experience enhancement (EE). When a physical store plays the role of warehouse in its local service area, the retailer can offer both BOPS and ROPS. When a brick-and-mortar store serves the role as a showroom, the retailer can offer BSSD and other experience enhancement activities (e.g., stylist service, tailoring, café or bar, digital entertainment). These four types of services that omni-channel physical stores provide are based on two dimensions: high or low
inventory and high or low purpose of shopping. Thus, a matrix of the omni-channel physical store services is illustrated in figure 1.

One of the examples for those stores offering experience enhancement events with limited inventories is pop-up shops, defined as “stores in temporary locations that focus on new products or a limited group of products” (Levy et al., 2019, p. 190). Another example for physical stores with low level of both inventory and shopping purpose is Nordstrom Local. Those shops are identified as neighborhood service hubs with no dedicated inventory but offering a variety of services in small spaces with around 3,000 square feet (Schmidt, 2017). Therefore, a fully integrated omni-channel retailer should offer all five types of services in their physical locations, so their customers can shop whatever, wherever, and whenever they want, or just gain great services and experiences without any shopping purposes.

We identified the information and fulfillment flow of the three product-involved services (i.e., BOPS, ROPS, BSSD). Three flow diagrams are illustrated below in Figure 2 for showing how information
and merchandise move under the three different service settings. This study also discovered the factors that influence the success of omni-channel retailers opening physical stores. These factors are three dimensions of logistic service quality (i.e., timeless, availability, and condition), five dimensions of SERVQUAL (i.e., reliability, assurance, tangibility, empathy, and responsiveness), cost or price, return, and IT quality.

Figure 2: The information and fulfillment flow
References


AN EMERGING RETAIL TREND: CUSTOMER-BASED POP-UP SHOPS

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Introduction

With the rise of online shopping, brick and mortar stores are scrambling to find a strategy to keep them alive in this technology-based world. Malls are closing, and the rise of Amazon and other online retail powerhouses are taking over (Olson, 2018). Brick and mortar stores must find a way to please the change in consumers' needs, and offer them a unique shopping experience in store that they cannot gain online (Niehm, Fiore, Jeong, & Kim 2006). Brands from every scale, corporate to small local businesses, are taking advantage of the new retail trend of pop-up shops. Pop-up shops are semi-permanent retail stores that offer an experiential and unique shopping event for consumers and create variety in a retail storefront (Gordon, 2004). Determining a channel of distribution for a company is one of the most important aspects of a business (Rozumey, Krainiuchenko & Belova, 2015). When running an omnichannel company, it is important that companies keep their service quality consistent to hold up the reputation of a brand. When consumers experience service quality from a company in an online or offline setting, this can shape their perceptions of a company, increase their purchase intention and willingness to pay a price premium (Sahin, Kitapci, Altindag & Gok, 2017). If a consumer is pleased with the offline and online service they receive from a company or brand, then their perception of that company is positive (Sahin et al., 2017). If a company creates positive service quality in the brick and mortar and online setting, it could be beneficial to them to utilize experiential marketing and other forms of distribution to grow, such as pop-up retail.

While the risk of owning a brick and mortar store is rising due to online powerhouses, it is important to determine how beneficial the pop-up retail distribution can be for a company. To determine if this channel of distribution is beneficial, customer-based pop-up store equity must be measured. Customer-based store equity has been measured in past literature by Pappu and Quester (2006) with the following constructs: customer's awareness, quality, association, and loyalty to the
company. Built upon Aaker’s (1991) framework on brand equity, this study aims to determine whether pop-up retail shops are a beneficial form of distribution for business through investigating consumer’s perceptions with online and offline experiences and how those influence their awareness, quality, association, and loyalty by developing their customer based pop-up store equity (H1, H2). For further understanding consumer’s customer based pop-up store equity, this study aims to determine how this affects consumer’s willingness to pay a price premium (H3), and consumer’s purchase intentions when visiting a pop-up store (H4).

**Research Methodology and Results**

To test the study's hypotheses, an online survey method was utilized, resulting in 137 useable responses in February 2019. Participants were recruited through a southern university’s email list serve. Subjects were required to pass a series of screening questions to validate that they had an offline and online experience with a brand's service quality and that they had knowledge of that brand's pop up store. The online survey instrument was constructed using preexisting scales from literature that were adapted for the purposes of this study on the five variables of offline service quality (Lu & Seock, 2011), online service quality (Parasuraman, Zeithaml, & Malhotra, 2005), Pop-Up Store Equity (Netemeyer et al., 2004, Papu & Quester, 2006), Purchase Intention (Buil, Martínez, & Chernatony, 2014), and Price Premium (Netemeyer et al., 2004). Demographics, descriptive statistics, along with scale reliabilities and correlation were analyzed. Exploratory factor analysis and multiple regression analyses were carried out using the research variables to test the hypothesized relationships.

H1 and H2 predicted that consumers’ experiences with a brands’ service quality: offline (H1), and online efficiency (H2), would significantly affect their customer based pop up store equity. In the
original research model, customer-based pop-up store equity was predicted to have four constructs: awareness, association, perceived quality, and loyalty. Through factor analysis in our study, three factors were identified. Awareness and association became one factor, while perceived quality and loyalty remained the same. Through factor analyses, three independent variables (offline service quality, online service quality of fulfillment and efficiency) and three dependent variables (awareness association, perceived quality, and loyalty) were identified to test H1 and H2. In the first multiple regression model for testing H1 and H2, the independent variables were perceived offline service quality, and two perceived online service quality constructs: fulfillment and efficiency. The dependent variable was awareness/association construct of pop-up store equity. The overall regression model was significant, (R2 = .062), F (3,129) = 2.737, p <.05. The second construct of customer-based pop-up store equity, perceived quality, was significantly explained by perceived offline service quality (β = .479), but not by the two constructs in perceived online service quality of fulfillment (β= -.113) and efficiency (β= -.008). The third construct of customer-based pop-up store equity, loyalty, was significantly explained by perceived offline service quality (β = .318), but not by the two constructs in perceived online service quality of fulfillment (β= -.061) and efficiency (β= .047). According to the results of the multiple regression analyses to test Hypothesis 1 and 2, H1 was supported, but H2 was not supported. Overall, customer-based pop-up store equity was significantly explained by perceived offline service quality (H1), but not by the two constructs in perceived online service quality of fulfillment and efficiency (H2). Customers willingness to pay a price premium in a pop-up store (H3) was significantly explained by two customer based pop up store equity constructs: awareness association (β=2.10) and loyalty (β=.380), but not by perceived quality (β=.052). Overall, H3 was supported by the regression model, (R2 =.287), F (3,134)=17.417. Customers purchase intention in a pop-up store (H4) was significantly explained by two customer based pop up store equity constructs:
awareness association ($\beta=1.82$) and perceived quality ($\beta=.509$), but not by loyalty ($\beta=.127$). Overall, H4 was supported by the regression model, ($R^2 =.488$), $F (3,133)=41.014$, $p<.001$.

Discussion and Implications

This study makes several significant contributions, implications, and suggestions for further research to academia, the textile and apparel industry, and entrepreneurs. Based on the findings of this study, pop up retail can be a very beneficial form of channel distribution for businesses. For example, if customers are well aware of the pop-up store or have loyalty to the pop-up store, they are more likely to pay the premium price for the products they purchase from the store. Also, if consumers have a higher perceived quality of the said brand, they will have higher purchase intention. From the findings of this study, awareness and association with pop-up stores are important so if businesses increase their awareness/association, they can in return gain higher profits. This study also opens the doors for future research to be added to the almost nonexistent literature on pop up retail.

References


EXAMINING ATTRIBUTES OF SOCIAL MEDIA FOR APPAREL RENTAL SERVICE

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ABSTRACT

This paper predicts a significant relationship between social media and apparel rental services. When online apparel rental services share many characteristics with online shopping tools, such as the service is provided when consumers are connected through computer or mobile devices, social media, which also utilize the Internet platform, may be related to it. The research argues that, based on uses and gratifications theory, the interactive attributes of social media can be categorized into three types of interaction that mean better outcomes for both brands and consumers: social, informative, and hedonic interactions.

INTRODUCTION

Apparel rental is a service in which surplus goods are shared, and it is attracting attention as an alternative to rapidly increasing waste creation. This research concerns the rental of apparel products for consumer use in daily life because it remains new for both academia and industry personnel. Although limited research into apparel rental services has been conducted, this paper predicts a significant relationship between social media and apparel rental services. When online apparel rental services share many characteristics with online shopping tools, such as the service is provided when consumers are connected through computer or mobile devices, social media, which also utilize the Internet platform, may be related to it. The research argues that, based on uses and gratifications theory, the interactive attributes of social media can be categorized into three types of interaction that mean better outcomes for both brands and consumers: social, informative, and hedonic interactions. The purpose of this research, hence, is to empirically investigate the impact of social media on consumer’s perceptions of, and intentions to use apparel rental services.
LITERATURE REVIEW

Apparel rental service is a solution to environmental problems caused by production and disposal processes. In addition, while the fashion industry is specialized and diversified field, the fashion cycle is shortened, and this makes it possible to consume rationally by relieving the burden on consumers with the rapid increase of purchasing the apparel product (Armstrong et al., 2015; Hamari et al., 2016; Lang & Armstrong, 2018). Apparel rental services allow consumers to conveniently rent apparel products for a desired period of time. This research concerns the rental of apparel products for consumer use in daily life. While the rental of a broader range of apparel than simply designer apparel has become increasingly popular with consumers, the research into apparel rental services has been largely limited to special occasion clothing. This research subject remains new for both academia and industry personnel.

Sharing possessions with others is considered to be among the most pleasurable of activities, including enjoying music, food, liquor, and gossip (Belk, 2014). Specifically, lending and renting physical commodities are increasingly being facilitated through the Internet and social media. Belk (2014) indicates that the intention of sharing is more helping others and making connections with them, than earning access to products and services. Moreover, on social media, two-way communication between consumers and companies is commonplace (Lin & Lu, 2011; Matzler et al., 2015). This creates value for the platform as a tool with which users can build and maintain their dependency on social networking platform and connection with other users.

Most activity on social media takes the form of viewing and posting opinions, questions, answers, photos, videos, personal information, and knowledge, using the connectivity provided by the community networking platforms. Moreover, social media support online interactions and user contributions for acquiring products and services (Gan & Wang, 2017). Users can easily learn how
others evaluate products and services, ask for suggestions before buying, and freely share their experiences of the products and services after purchase (Chen & Shen, 2015). Social media likely change the way in which users consume (Gan & Wang, 2017). Furthermore, uses and gratification theory (UGT) addresses how consumers use media that satisfies their needs, allowing one to realize gratifications such as knowledge enhancement, entertainment and relaxation, social interaction and reward or remuneration (Dolan et al., 2016). In the process of social interaction and sharing, users perceive benefits such as recognition from others, thus strengthening their purchase intention.

Constructs based on the theoretical underpinnings of uses and gratifications theory (UGT), which explains the need for social interaction, the need for pleasure, information, and sharing needs – have all been explored in recent literature on consumer choices in social media. This research posits that interactions on social media can be placed into three categories, according to whether they have information, social, and hedonic attributes. The research posits that because social media would create and maintain connections between individuals, using social networking platform develops individuals’ relationships (Donath & Boyd, 2004). The relationship between apparel rental services and social media has not yet been properly defined, and further investigation is needed. Therefore, this study proposes that when consumers perceive attributes of social networking platform to be positive, they are more likely to perceive the benefits of apparel rental services (Figure 1).
Keywords: Social media, Apparel rental service, User and gratification theory, Consumer Behavior

REFERENCE


Track 6: Extended Abstracts and Workshops
BEYOND THE CLASSROOM: TECHNICAL ASSISTANCE PROGRAM FOR RURAL RETAILERS

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Abstract

Due to the changing retail landscape, rural retailers are struggling to compete with large national chains. To address this critical issue, a technical assistance program was developed in collaboration with community partners, university extension, and retail merchandising students and faculty, to assist rural retailers as design experts and consultants to solve their unique, specific problems. Participating retailers were provided with 1 on 1 support and customized action plans were created based on their specific challenges. Results from the project were developed into case studies and a best practice guide for local economic development staff to duplicate these efforts in the future.

Introduction

In the context of community engagement and economic development, technical assistance can be understood as a process of providing direct support to a business or individual that has a specific developmental need. The process involves two-way communication between parties in which the subject matter expert and those learning parties collaborate to solve an issue (Ronald et al., 2010). When incorporated into service-learning projects, evidence shows that technical assistance is beneficial to both the students and the community participants involved (Peterson & Thompson, 1991). Students learn by applying relevant academic knowledge and skills to real-world problems through hands-on experiences. Not only do the students benefit from their civic duty to the community and greater application of their discipline, but community participants receive invaluable support that can directly be applied to their business operations (Roitman et al., 1984; Robinson, 1982; Luke et al., 1988; Chrisman & McMullan, 2000).

In Spring 2019, a community engagement project was conducted by a research team in a major midwestern university to assist rural independent retailers with tailored support based on their business needs. Rural retailers, specifically, are facing unique challenges due to the changing retail landscape.
The current retail landscape is characterized by constant innovation, with new technologies connecting retailers and consumers in previously unimaginable ways. In this rapidly changing environment, small businesses owners are left vulnerable and under pressure to compete for consumer attention (Miller & Kean, 1997). Each year, thousands of small businesses form, but within ten years, only a small fraction of them remain open (Beaver, 2002). These rural retailers are critical to a vibrant retail shopping experience. Independent retailers provide unique goods and services specially tailored to the needs of a local community. A thriving retail environment can also entice visitors to explore a community. Rural independent retailers are under pressure to compete for consumers’ attention and purchases with multinational retail chains such as Target, Walmart, and Amazon. These small businesses struggle to compete with large retail chains due to lack of knowledge, critical skills and resources available which enable them to compete in this rapidly changing business environment (Beaver & Hutchings, 2005; Pavic et al., 2007).

To address this critical issue, a technical assistance program was implemented to support small business owners in a rural mid-western town. This program allowed business owners to connect with retail merchandising students and faculty and apply applicable classroom knowledge to real-life problems. In addition, the technical assistance program, provides a foundational knowledge of the unique challenges that rural retailers face which can be developed into future case studies. Specifically, the objectives of this project are to (a) develop customized technical assistance programs for small retailers in rural communities (b) develop tailored market analysis reports to small rural retailers (c) develop case study analysis that can be used by future educators and retail businesses.
**Project description**

A technical assistance program was developed to assist rural retailers as design experts and consultants to solve unique, specific problems that individual rural retailers face. In collaboration with university students and faculty, community partners, and university extension economic office, independent stores were selected to work one on one with retail merchandising experts to help improve their store functions.

The technical assistance was awarded to four select rural retailers in a mid-western town who were looking to improve their retail business operations. Retailers submitted business applications for technical support in the retailing areas of store presentation, visual merchandising, assortment planning, inventory management, financial planning, target marketing strategies, social media marketing, advertising strategies, and trend analysis. The applications received were reviewed by a select committee of community partners, extension specialists and retail merchandising students, who were aware of current rural retailing challenges. Criteria for selection included need, analysis of future goals for the company, and the ability to assist retailers as retail experts.

Selected retailers were provided the opportunity to work one or one with a retail merchandising student expert to develop action plans specific to their businesses. Selected retailers began with an initial interview to identify critical areas of improvement and to discuss initial concerns that the retailer has regarding their business. This included an initial overview of their business and the identification of potential opportunities for the retailer. Following the initial interview, a brief was drawn up by the retail expert and a second one on one meeting was set up to discuss initial business findings and recommendations. An action plan was then established between the retailer and retail expert before a final case study report was provided to the retailer.
Each retailer’s current retail market was analyzed, and opportunities were identified to better position the companies in the marketplace. The final case study provided to the retailer included main findings from store interviews, research from industry sources, formalized action plans and recommendations, and examples of strategy execution.

Conclusion

Technical assistance is a broad term used to describe communication and collaboration between two systems with the ultimate goal of bridging the gap between research, industry, and practice. In today’s competitive retail environment, it is critical to address the issues that rural retailers face and to find strategic business solutions to these issues. With the dramatic change in the retail industry over the past ten years, rural retailers are struggling to compete and stay in business. The technical assistance program provided support to retailers and gave them the tools to grow and stay in business for the years to come.

Results from the project were developed into case studies and a best practice guide for local economic development staff to duplicate these efforts in the future. These case studies provided a foundation to the retailers to use and implement into their current business model. The participating businesses said that these coaching sessions provided accountability to implement the strategies into their business model. Specifically, one retailer said, “I learned so much from this experience, from store layout to addressing target markets, and social media ideas, and it reinforced that I am on the right track.”

Finally, the technical assistance program provided beneficial insight to service-learning pedagogy. Through community-engaged projects in rural settings, students can use their acquired classroom knowledge and skills in real-life business application. Especially, through the situational analysis phase
of the project, students can understand the current challenges faced by independent retailers and their struggle to compete, economically, with large retail chains. As a final outcome, students can implement acquired critical thinking and communication skills to create tailored business recommendations for each business based on their need. Students can apply these acquired real-life skills in future careers and business practices.
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SMARTPHONE USES IN BRICK-AND-MORTAR RETAILING STORES: GRATIFICATIONS AS ANTECEDENTS OF CONSUMERS’ STATE ANXIETY AND PURCHASE INTENTION

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ABSTRACT

Grounded in the Uses and Gratifications (U&G) theory, this research attempts to explore the distinctive smartphone uses and consumers’ expected gratifications during a shopping journey in brick-and-mortar retailing stores; it also aims to answer if in-store consumers should be encouraged to use smartphones. Through designing a mixed-method research, a micro-ethnography study was undertaken before statistically examining the relationships between the constructs through Structural Equation Modeling (SEM). The results indicate that smartphone’s utilitarian and hedonic gratifications could reduce consumer’s state anxiety while social gratifications do not leave any impact. Higher level of state anxiety could undermine consumer’s in-store purchase intention.

Keywords: Uses and Gratifications (U&G) Theory, Smartphone Uses In-store, Consumer Shopping Journey, Consumer’s State Anxiety, In-store Purchase Intention.

1. Research Contexts, Gap and Questions

Due to the wide acceptance and use of smartphones, the consumer shopping journey has evolved and transformed in the omni-channel retailing era (Pagani and Malacarne, 2017). A customer shopping journey is defined as “a description of customer experience where different touchpoints characterize customer’s interaction with a brand, product, or service of interest” (Clark, 2013). In the same vein, marketing scholars emphasize the importance of addressing the multi-channel purchasing process as a ‘shopping journey’ in which consumers determine their own shopping routes (Wolny and Charoensuksai, 2014). For example, smartphones are consumers’ constant companions, with penetration at its highest ever level in the United Kingdom, accounting for 85% of the entire population (Mintel1, 2018). Meanwhile, the ubiquitous smartphone uses also fulfil users’ social,
communicative and information desires (Kang and Jung, 2014). Retailers have also acknowledged that consumers use smartphones before or during their shopping journeys. It is reported that 74% of consumers browse their smartphones in-store, 53% of in-store consumers read reviews during the process of shopping, and 41% of consumers indicate their ‘webrooming’ shopping preference on mobile devices prior to visiting physical stores (Retail System Research, 2016). Therefore, the project predominantly investigates smartphone uses in brick-and-mortar retailing stores.

Consumers nowadays are confronted with a huge range of product/brand choices when visiting a busy shopping centre, in such a way that they are no longer confident in their purchasing decisions (Nagar and Gandotra, 2016). This is because shopping centres have transformed to leisure places whereby shopping, dining, entertaining and socializing activities can take place simultaneously. Moreover, searching and assessing product quality/performance can be time-consuming and complicated for specific product categories, increasing consumer’s psychological distress such as anxiety in terms of buying the appropriate product; while in-store consumers are pursuing shopping productivity at the same time (Voropanova, 2015). Therefore, smartphones are adopted significantly to search for immediate information, pay without queuing, and without consulting the store salespersons (Retail System Research, 2018), due to their portable and convenient features (Grewal et al., 2018). In turn, the use of a smartphone assists in-store consumers with quick access to information that helps them make assured and confident decisions, reducing one’s state anxiety during shopping journey.

On the one hand, marketing scholars call for research such as the impact of mobile technologies leave on dynamic shopping trends and experiences (Shankar, et al., 2016); on the other hand, limited studies relating to mobile devices’ adoption mark the specific smartphone uses from consumers’ psychological angle during a shopping journey in physical retailing environments. It then invites the researchers to investigate the various ways in which smartphones are used whilst shopping in brick-and-mortar
retailing stores, given the increasingly dynamic nature of the consumer shopping patterns. Thus, grounded in the Uses the Gratifications (U&G) theory (Katz, Blumer, and Gurevtch, 1974), whereby consumers’ motivation for adopting smartphones during their shopping journey are examined, through conducting a sequential exploratory research design (qualitative followed by quantitative). Alternatively, the research questions are formulated as follows:

- Given the diversified uses of smartphones, what are the expected gratifications that consumers could obtain via their smartphones in brick-and-mortar retailing stores?
- Do smartphone uses reduce consumer’s state anxiety during shopping journey?
- Does consumer’s state anxiety subsequently impact (increase/decrease) in-store purchase intention?

2. Key Literature Summary

After constructing the research questions, it proceeds to outline the key literatures relating to the research topic. In general, there are five allied streams of literature contributing to an understanding of smartphone uses during a consumer shopping journey in this research. First of all, it presents the Uses and Gratifications (U&G) theory, adopted as the theoretical vehicle to support the research rationale, because it appropriately drives consumers’ expected gratifications from selecting specific smartphone usages. Secondly, the uses of smartphone will be explained in depth given the physical retailing context, and the researcher also addresses how omni-channel retailers’ promotions and consumers’ shopping journeys are transformed due to digitalization and technological improvements (Grewal, Roggeveen, and Nordfalt, 2017). Thirdly, the consumer shopping journey and purchasing intention will be further discussed to explain the contemporary shopping patterns assisted with smartphones in physical retailing spaces (Jeong and Jang, 2011).

It is then followed by a demonstration of the type of anxiety consumers may have, so-called State Anxiety (Gilbert, Lee-Kelley, and Barton, 2003), especially in the context of busy shopping
environments (e.g. shopping malls and town centres). Consumers may feel anxious and uncertain due to busy shopping environments and choice complexity. Thus, the role of the smartphone as the consumer’s shopping assistant, can alleviate or balance such anxious status. For example, consumers use smartphones for direct communication with peers, families and friends to obtain additional opinions; they may also be active on social networking platforms to exchange purchasing experience. The fifth phase in the literature review illustrates the consumer engagement during shopping journey, when consumers collaborate via their smartphones to achieve purchasing goals and corresponding gratifications (Nguyen et al., 2016). In the end, a set of hypotheses and a proposed conceptual framework are then developed, delineating the relationships between smartphone’s U&G, consumer’s state anxiety and in-store purchase intention.

3. Mixed-method Research Design

This research adopts a mixed-method two-step study entailing both qualitative and quantitative approaches. The first study decided a micro-ethnography method including on-site observation and face-to-face interviews (Bryman and Bell, 2015), in order to figure out the emerging smartphones uses and consumers’ expected gratifications during shopping journey in brick-and-mortar retailing stores. Such strategy enjoys capturing first-hand information about consumer’s behavioral and psychological diversities, and delivers a more comprehensive understanding of the marketing practice (Fuentes, 2014). Moreover, open-ended interviews was accomplished that a research assistant spent approximately 20 hours over two weeks in retail environments, observing and interviewing consumers who used their smartphones, through purposive sampling method. 43 consumers aged between 18 and 52 years collaborated with the research in shopping centres and high streets in two cities in the southern part of the United Kingdom (see Appendix A). In addition, it focused on collecting broad range of smartphone uses in general retailing segments including supermarkets, department stores, and
shopping centres. The results were analysed through employing the thematic analysis and significantly depended on interview conversations, accompanied by observation notes, following a coding scheme known as ‘qualitative rigor’ raised by Gioia, Corley and Hamilton (2012) via NVivo software.

The second study adopted a self-administered survey through simple random sampling tactic, aiming to statistically measure and examine the relationships between key constructs. A pilot test was performed and 10 colleagues from the same department were recruited contributing to a polished questionnaire. The questionnaire mainly used 5-point Likert Scale to reveal individual’s opinions about using smartphones during shopping, by answering the degree of agreement or disagreement with each series of statements (Amoo and Friedman, 2000). Subjects were expected to answer: ‘1-strongly disagree, 2-disagree, 3-neither disagree or agree, 4-agree and 5-strongly agree’. In order to optimize scale validity and reliability, the researcher borrowed measurement-scaling statements from existing research, and further modified these to fit the current research context (see Appendix B). The data collection focused on approaching consumers who shopped apparel products in the second study, as potential clothing consumers were observed visiting apparel retailing stores and they might have used their smartphones during shopping journey. The survey took respondents five minutes to complete; and it took approximately six weeks to obtain a satisfying sample size of 349 valid responses in total. Ultimately, structural equation modeling (SEM) performed the quantitative analysis to inspect the causal relationships between constructs and subsequently answer the second and third research questions.

4. Results and Contributions

From conducting the qualitative study, it reveals and extends that in-store consumers use smartphones differently owing to diversified gratification goals: utilitarian, hedonic and social dimensions. More specifically, the empirical findings discovered that utilitarian gratifications could be achieved through
Communication, Multi-tasking Functional Service, Product Information Seeking, and Mobile Quick Payments. And Relaxing shopping Pace and Passing Time were perceived as hedonic gratifications. Social Gratifications entailed Continuous Online Socialising and Consumer Engagement via Online Brand Community. In addition, consumers prefer to use customized mobile websites and applications in different ways due to usage purposes and media diversity. Lastly, consumer-to-consumer interactions took place through adopting smartphones, as in-store consumers frequently asked for additional advice and habitually checked their phones, in order to balance their state anxiety and achieve more assurance when making purchase decisions in-store.

Therefore, the quantitative phase (study 2) further examined the causal relationships. According to the hypotheses examination through conducting SEM analysis (see Appendix C), all of nine types of smartphone uses were able to achieve three dimensional gratifications during shopping journeys. Moreover, in consistent with the first study, the preliminary findings disclose that smartphone’s utilitarian and hedonic gratifications would alleviate one’s state anxiety; however, the social gratifications left no impact on reducing the state anxiety. Despite that smartphones are considered as convenient tool to be connected, contemporary consumers spend large amount of time checking and updating their social accounts (Leiner et al., 2018) regardless if they were in the shopping process or doing non-shopping related tasks. Thus, some consumer’s apprehension cannot be reduced when they are confronted with choice complexity in busy shopping centres. An insightful result demonstrates that higher level of state anxiety would decrease in-store purchase intention, strengthening that in-store smartphone uses contribute to reduced anxiety and subsequently impacts consumer’s purchase intention.

Ultimately, besides theoretical contribution, this research project also suggests marketing implications accordingly. Firstly, due to heavy smartphone-dependency alongside shopping, the traditional offline
retailers should extend their business through mobile channel on a smartphone, aiming more audiences and benefiting additional sales. Secondly, shopping centres should prohibit restricting smartphone’s reception and optimise consumers’ use of smartphone as to realise gratifications by offering free Wi-Fi services, 4G/5G access and other technology-assisted services in-store; simultaneously, consumers may enjoy spending longer time in-store. Thirdly, omni-channel retailers should keep on discovering consumers’ needs in order to accommodate their demands and further amend the marketing tools, with a particular focus on enhancing consumer’s experience in-store.
Reference List


Appendix A

Table 1 Summary of Interviewees’ Socio-demographic Profiles

<table>
<thead>
<tr>
<th>Variable (N=43)</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>69.8%</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>30.2%</td>
</tr>
<tr>
<td>Age in Years</td>
<td>18-24</td>
<td>34.9%</td>
</tr>
<tr>
<td></td>
<td>25-34</td>
<td>41.9%</td>
</tr>
<tr>
<td></td>
<td>35-44</td>
<td>11.6%</td>
</tr>
<tr>
<td></td>
<td>45-60</td>
<td>11.6%</td>
</tr>
<tr>
<td>Occupation</td>
<td>Student</td>
<td>44.2%</td>
</tr>
<tr>
<td></td>
<td>Employed</td>
<td>51.2%</td>
</tr>
<tr>
<td></td>
<td>Retired</td>
<td>2.3%</td>
</tr>
<tr>
<td></td>
<td>Not Applicable*</td>
<td>2.3%</td>
</tr>
<tr>
<td>Smartphone Brands</td>
<td>iPhone</td>
<td>65.1%</td>
</tr>
<tr>
<td></td>
<td>Samsung</td>
<td>20.9%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>14.0%</td>
</tr>
<tr>
<td>Product Purchased</td>
<td>Accessories</td>
<td>67.4%</td>
</tr>
<tr>
<td></td>
<td>or Clothes</td>
<td>14.0%</td>
</tr>
<tr>
<td></td>
<td>Groceries</td>
<td>7.0%</td>
</tr>
<tr>
<td></td>
<td>Shoes</td>
<td>7.0%</td>
</tr>
<tr>
<td></td>
<td>Home Appliances</td>
<td>4.6%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>7.0%</td>
</tr>
<tr>
<td>Number of Shopping Apps Installed</td>
<td>None</td>
<td>32.6%</td>
</tr>
<tr>
<td></td>
<td>1-2</td>
<td>34.9%</td>
</tr>
<tr>
<td></td>
<td>3-5</td>
<td>23.2%</td>
</tr>
<tr>
<td></td>
<td>6-9</td>
<td>7.0%</td>
</tr>
<tr>
<td></td>
<td>&gt;10</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

*Not applicable: respondents refused to disclose their occupations.*

Appendix B

Table 2 Scale Reliability Test Output

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Cronbach’s Alpha Value</th>
<th>Scales Adapted From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Being connected during shopping</td>
<td>Con1 – Con4</td>
<td>0.836</td>
<td><em>Gan and Li (2018), Computers in Human Behavior</em></td>
</tr>
<tr>
<td>2 Obtaining second opinions</td>
<td>Oso1 – Oso3</td>
<td>0.711</td>
<td><em>Chu and Kim (2011), International Journal of Advertising</em></td>
</tr>
<tr>
<td>3 Information searching via branded mobile apps</td>
<td>Ibm1 – Ibm3</td>
<td>0.802</td>
<td><em>Alnawas and Aburub (2016), Journal of Retailing and Consumer Services</em></td>
</tr>
<tr>
<td>4 Multi-tasking functional service</td>
<td>Mtf1 – Mtf3</td>
<td>0.839</td>
<td><em>Yao and Liao (2011), Management &amp; Marketing</em></td>
</tr>
<tr>
<td>5 Mobile quick payment</td>
<td>Mqp1 – Mqp4</td>
<td>0.806</td>
<td><em>Oliveira, Thomas, and Baptista (2016), Computers in Human Behavior</em></td>
</tr>
<tr>
<td>6 Relaxing shopping pace</td>
<td>Rsp1 – Rsp3</td>
<td>0.854</td>
<td><em>Nambisan and Baron (2007), Journal of Interactive Marketing</em></td>
</tr>
<tr>
<td>7 Passing time</td>
<td>Pt1 – Pt3</td>
<td>0.856</td>
<td><em>Gan and Li (2018), Computers in Human Behavior</em></td>
</tr>
</tbody>
</table>
### Table 3 Hypotheses Testing and Decision

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Construct</th>
<th>Standardised regression weight</th>
<th>P-value</th>
<th>Hypothesis Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>CON</td>
<td>Utilitarian</td>
<td>0.616</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1b</td>
<td>IBMA</td>
<td>Utilitarian</td>
<td>0.643</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1c</td>
<td>MTF</td>
<td>Utilitarian</td>
<td>0.682</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1d</td>
<td>MQP</td>
<td>Utilitarian</td>
<td>0.637</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1e</td>
<td>OSO</td>
<td>Utilitarian</td>
<td>0.644</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H2a</td>
<td>RSP</td>
<td>Hedonic</td>
<td>0.761</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H2b</td>
<td>PT_</td>
<td>Hedonic</td>
<td>0.800</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H3a</td>
<td>COS</td>
<td>Social</td>
<td>0.789</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H3b</td>
<td>IOBC</td>
<td>Social</td>
<td>0.954</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1</td>
<td>Anxiety</td>
<td>Utilitarian</td>
<td>-0.273</td>
<td>0.037</td>
<td>Accept</td>
</tr>
<tr>
<td>H2</td>
<td>Anxiety</td>
<td>Hedonic</td>
<td>-0.056</td>
<td>0.044</td>
<td>Accept</td>
</tr>
<tr>
<td>H3</td>
<td>Anxiety</td>
<td>Social</td>
<td>-0.003</td>
<td>0.281</td>
<td>Reject</td>
</tr>
<tr>
<td>H4</td>
<td>IPI</td>
<td>Anxiety</td>
<td>-0.13</td>
<td>0.033</td>
<td>Accept</td>
</tr>
</tbody>
</table>

Note: (1) IPI: In-store Purchase Intention; (2) ***: p<0.001.
UNPACKING THE CAUSAL RECIPES OF RETAILING MIX ON CONSUMER SATISFACTION IN GROCERY SHOPPING USING QUALITATIVE COMPARATIVE ANALYSIS (QCA) – FROM AN EXPERIENCE OF A JAPANESE MINI SUPERMARKET MULTIPLE

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ABSTRACT

This study aims at deepening our understandings on the mechanism as to how retailers marketing mix impacts upon customers satisfaction via an exploration employing the fuzzy-set Qualitative Comparative Analysis (fsQCA). It empirically investigates the configurations of retail mix components that determine different levels of customer satisfaction amongst the consumers who shop at one of the major Japanese mini supermarket multiples. Part of the results gleaned from the analysis shows that the combination of good merchandising, convenient store-location, and the customers’ clear perception of the retail store format “being a mini supermarket” leads to a very high level of customer satisfaction.
THE BACKGROUND AND THE OBJECTIVES OF THE RESEARCH

Grocery retailing in Japan is represented with a considerable level of fragmentation in comparison with its U.S. and European counterparts. Whilst it has witnessed a constant increase in retail concentration over the past decade or two, there remains plenty of room for indigenous small-to-medium size grocery multiples to maintain competitive edges in the individual market they operate. This is due predominantly to the culinary tradition amongst Japanese households to pursue freshness and variety of foodstuff in everyday life, which necessitates them to make frequent (often daily) shopping trips (Suzuki et.al., 2016). Proximity to quality grocery stores, whether it is from their home or work, therefore is mandatory for the consumers.

Local variances of consumers need for fresh groceries and foodstuff allow indigenous players to outperform the retail giants in the store-based competition within a given geographical spread. Unlike in the packaged consumer goods, sourcing activities are conducted rather locally in these product categories and so retail competition is driven less by their buying power than their abilities to pinpoint the expectations of the local customers (Yokoyama, 2019).

Recent changes in social structure, such as the dramatic increase in the number of dual-career households and the rapidly greying population across the nation, have indeed fueled the retail competition in a new realm. Now that, majorities of married females have occupations of various forms and hence time constraint on grocery shopping is more evident than ever. Elderly
consumers often find their walking limits upon making a grocery shopping trip to shorten down to half a mile or so. How a retailer can fulfil this “last one mile or less” with augmented variety, freshness, and flexibility has become one of the challenging yet important missions. With online shopping being a partial solution to these, retail multiples traditionally operating supermarkets (SM) and convenience stores (CVS) have embarked on launching hybrids of their original formats to facilitate consumers with an updated convenience in accessing to quality groceries. Mini-Supermarket; a modern alternative of Superrette, and CVS with perishables and fresh produces are the phenotypes of conventional SM and CVS that emerged to this end. The advent of these hybrids has accelerated grocery retailers’ battle to win customer patronage over the competition in each of the individual markets they operate their stores.

In reflection of these long-term trends observed in Japanese grocery retailing, this study aims at investigating the causal mechanism in which retailers’ marketing mix impacts upon customers satisfaction (CS), employing the fuzzy-set Qualitative Comparative Analysis (fsQCA). It is to explore empirically the configurations of retail mix components that would determine different levels of CS (very-high / high / low CS) amongst the customers of one of the major Japanese mini supermarket multiples My Basket which is operated as a mini-SM arm of the Japanese largest retail conglomerate Aeon.

PROPOSITIONS

In order to achieve the research objective above, fsQCA was employed as the primary
analytical technique (Fiss, 2011). The rationales are that (1) it is an appropriate method to take the complex interactions; i.e. the “conjuncture” of the variables (“conditions” in QCA term) into considerations (Furnari et al., 2017), (2) it stands on the principle of causal asymmetry (Frösén et al., 2016), and (3) it allows the existence of multiple paths (configurations) to the same outcome; i.e. the concept of equifinality (Ragin, 1987/2014, 2000). These fundamental tenets of fsQCA are apparently attractive, as the issue of CS in the retail setting is often found too intricate to investigate by way of the conventional “net-effect thinking” (Ragin, 2008) or “general linear reality” perspective (Abbott, 1988; Woodside, 2013). fsQCA can incorporate the “mixture effects” amongst the retailing mix components upon the levels of CS. It could also help identify the different sets of conditions that respectively lead to varied levels of CS; i.e. “very high”, “high” and “low”. In this regard, fsQCA may possess its advantage over the conventional Multivariate Regression Analysis (MRA)-based methodology that is widely accepted in majorities of literature looking into retail patronage and retailing mix (Blut et al., 2018). Drawing upon these, following propositions were laid out along the line with the research objective stipulated above. (P-1) “Mixture (conjuncture) effect” of retailing mix components plays an important role in shaping CS. (P-2) Such configurations of retailing mix components are varied across different levels of CS. Considering the relationship between customers’ perception on a retail store format and the levels of CS, one more proposition was designed: (P-3) Consumers’ perception on a retail store format affects their CS level.
METHODOLOGY

An online questionnaire was conducted to the consumers who have shopped at My Basket, together with other retail fascia. 842 usable responses were obtained through this survey. Respondents’ ages ranged from 15 to 83 years old with a mean of 46. For the purpose of the measurement of retail marketing mix (retailing mix), seventeen instruments in five areas (location, product assortment, price, in-store layout, and services) were identified, following the definitions proposed by Levy and Weitz (2012). These items were adjusted to better fit into the context of Japanese grocery retailing. Regarding the measurement of the CS levels, the Japanese Customer Satisfaction Index (JCSI) were adopted (Ono, 2010). JCSI is a Japanese counterpart of the American Customer Satisfaction Index (ACSI) (Fornell, 1992). All items were measured with an 11-point Likert scale. An extra question as to respondents’ perception of My Basket in terms of its retail type (format) was designed in addition to the CS and the retailing mix-related instruments.

The survey data was first processed with an exploratory factor analysis. It identified three key constructs of retail marketing mix, namely the location, merchandising (assortment and price), and services. To ensure its reliability and validity, confirmatory factor analysis was executed with Amos 22, showing that a four-factor model consisting of the three constructs and “customer satisfaction” had a good fit. Both reliability and validity for each construct was found sufficient in comparison with the generally accepted standards (Hair, et al., 2014).
ANALYSIS AND RESULTS

Following the standard fsQCA procedures of direct calibration (Ragin, 2008), threshold value setting to reflect the idiosyncrasies of customer loyalty (Heskett et al., 1997) and preparation of truth table algorithm (Kahwati and Kane, 2020), data analysis was conducted with fsQCA 3.0 package. The results of the analysis are presented in Table-1. For instance, a combination of convenient location, good merchandising and their perception of My Basket being a mini-SM is found to lead to a very high CS.

On the other hand, the configuration consisted of the lack of excellence in merchandising and services provisions, and consumers’ misperception of My Basket leads to low CS. A conjuncture of conditions that leads to one particular category of CS level, thus, differs from the set of causal conditions that correspond to other levels of CS. Together with these occurrences, the data in Table-1 exemplifies the presence of conjunctural causation, equifinality, and causal asymmetry. All configurations gleaned from the analysis with fsQCA here are supported with higher consistency than the generally accepted level of 0.75 (Ragin, 2008, Tamura, 2015). With these evidences, it would be reasonable to conclude that the three propositions are supported. The findings would also have some practical implications to how a retailer effectively designs its retailing mix to its goal.

Table-1 The Result of fsQCA
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CONSUMERS’ VIEWS ON LOCAL FOOD AND
FARMERS MARKET PATRONAGE: A
QUALITATIVE STUDY IN A MIDWESTERN
STATE

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ABSTRACT

Using qualitative semi-structured interviews, data were collected from three consumers residing in a midwestern state to gain their perceptions about the definition of local food as well as their visitation to local farmers markets. The participants provided insights into what they thought the term “local” food meant. The study has implications for all stakeholders including consumers, farmers, academics, and policymakers. It provides a basis for theoretical implications that involve consumer motivations and attitudes to the manifestation of consumer behavior in farmers market patronage. Future research ideas raised by the study are also discussed.

I. Introduction

Perceptions of what makes up ‘local food’ have been shown through research to differ by region due in large part to varying climates, soil types, and populations. Many researchers accept that eating locally means minimizing the distance between production and consumption, especially in relation to the modern mainstream food system (Peters et al., 2008). A product can be marketed as locally or regionally produced if its end-point purchase is within 400 miles from its origin, or within state boundaries (Martinez et al., 2010). Walljasper (2012) stated that some reasons for the booming interest in local foods include; better taste, greater variety, healthier diet, a cleaner environment, a stronger economy, safer food, more farmers, richer sense of community, and deeper connection with nature. Research has shown some benefits of farmers markets such as: (a) through buying locally grown produce at farmers markets, consumers can support local farmers and contribute to revitalizing rural economies; (b) farmers also benefit through retaining more of the value of their produce by circumventing the “middlemen” in the supply chain; and (c) creating markets, where consumers can buy produce from local farmers, reduces the distance that food travels between farmers and consumers.
(i.e., food miles), which in turn decreases associated fossil fuel consumption, air pollution, and greenhouse gas emissions (Trobe, 2001).

Despite previous studies, questions still remain regarding the constitution of what the term ‘local’ means to consumers’ in a particular geographic region. As a result, researchers have attempted to define this term as well as developing a profile of consumers patronizing farmers markets depending on the geographical location. For example, a study conducted by Wolf et al. (2005) reported that farmers market shoppers were more likely to be female, married, and have completed post-graduate work than non-shoppers in California. However, there is a paucity of research focusing on local food and farmers market patronage in this midwestern state, despite the dramatic rise of public interest in locally grown food in the state (Walljasper, 2012). Therefore, the goal of this study was to explore and understand how consumers perceive and define the term ‘local’ food and their behavior towards farmers market patronage. The objective was to understand what it means to eat locally in a midwestern state and to understand the reasons for their perceptions.

This qualitative study is significant, as it not only presents the perceptions of consumers about their definitions of local food but, identifies themes derived from one on one interviews. These themes can be used as potential variables in future studies (mixed methods) in order to deepen our understanding of the underlying perceptions of consumers about local food and farmers markets patronage. This provides implications that encompass consumers’ motivations and attitudes to the manifestation of consumer behavior.
II. Methods

This qualitative research took place in the spring of 2019 in a midwestern state. Using a purposeful sampling technique, three participants were recruited. All three participants were working adults and living with their families at the time of the interviews. A semi-structured one-on-one interview was conducted with each participant at different times and locations (a study room, a common sitting area in a library, and a coffee shop). Interviews lasted for approximately 20-30 minutes. To ensure ethical considerations, prior to the interviews, all participants were briefed and assured that their responses would be confidential. They were also informed that there were no right or wrong answers, instead, only honest opinions were needed. Finally, permission to record the interviews was sought and the participants read, understood, and signed a consent form. The interviews involved a series of questions about local food definition and perceptions, healthy eating, local food purchase decisions, and patronage of farmers markets. Figure 1 below represents a picture of what the researchers anticipated the emerging themes would be.

![Initial concept map](image)

**Figure 1:** Initial concept map
III. Findings

In order to answer the research question “how do consumers define local food and to understand their behavior towards farmers market patronage”, the interviews were transcribed verbatim. The researcher listened to each recording over and over again to ensure that all information was transcribed appropriately. Next, each interview transcript was read line-by-line through each case, each question while looking out for any deviant cases, surprises and contradictions. The transcripts were also read line-by-line across all three interviewees. Also, all personal identifiers and unnecessary information were removed from the transcriptions. As a result of this process, four themes were found to run across all three interviews: (a) locally grown fresh produce (geography-focused); (b) representative produce categories (product-focused); (c) seasonality (time-focused); and (d) concerns about local food (safety-focused).

Concerning the perception of local foods, the most common themes point to products grown within the state, and the freshness of the products. The fact that the farmers cultivate crops or rare animals within the state, and the residents get the opportunity to directly purchase the products from the manufacturers themselves was prevalent. Therefore, consumers perceive foods from outside of the state to be non-local because they are transported/shipped from probably hundreds or thousands of miles away. The more miles accrued during food transportation, the more preservatives have to be added to prolong its freshness and shelf life (Wolf et al. 2005). Consumers are conscious about the safety of the food they generally consume. With food from outside the state, there is the concern that it passes through several processes before it arrives to the final consumer. This could include the use of pesticides and/or preservatives. Local food systems are linked to reduce food safety risks through production decentralization (Peters et al., 2008). Therefore, locally grown products do not require any added preservatives in order to keep them fresh during transportation. Nevertheless, the use of chemicals on
food produce by some local farmers is a concern to some consumers while others do not care as long as it is labeled properly. This also relates to the fact that consumers have attributed taste to the freshness of local foods. Eating locally has been correlated with improved nutrition, increased likelihood of making healthier food choices, obesity prevention, and reduced risk of diet-related chronic disease. This is mainly because the food is more nutritious, fresher, and less processed (Martínez et al., 2010). As a result, consumers in the state purchase food from farmers markets that are available in the summer but scarce in the other seasons.

Even though there is a variety of produce grown within this midwestern state, consumers perceive that there are some particular foods that stand out namely; sweet corn and honey crisp apples. The interviewees believe that the local farmers markets cater to a culturally diverse group of consumers. Farmers, in producing these varieties of foods consumed by different cultural groups encourages others to not only learn about new food, but to also try them out as well.

These themes are all interconnected and lead towards the definition of the term local food. The study has implications for all stakeholders including consumers, farmers, academics, and policy makers. It provides a basis for theoretical implications that involve consumer motivations and attitudes to the manifestation of consumer behavior in farmers market patronage. This can broaden the perspective of researchers beyond demographic characteristics and economic perspectives.
IV. Conclusions

This qualitative study presents the perceptions of consumers about their definitions of local food and behavior towards farmers market patronage. The study enriches our understanding of the broader sets of values tied to local food perceptions and farmers market patronage. For example, the integrative model can help researchers discern different degrees and qualities of consumer motivations and attitudes and clearly identify the social-cultural contexts within which such motivations and attitudes arise. While this study has provided valuable insights into the research question, there were some limitations associated with this study. First, the partial knowledge of the interviewer on the research topic may have limited the depth of information that would have been gathered. Because the time required for data collection, analysis and interpretation are generally lengthy, analysis of qualitative data is demanding therefore expert knowledge of an area of study is beneficial to try to interpret qualitative data. Second, the views of only three interviewees may not represent the views of the majority of consumers. Finally, it is not possible to replicate qualitative studies therefore; the contexts, situations, interviews, and interactions cannot be replicated.
References


A CLEAR PATH: EXPLORATORY INTERVIEW RESULTS WITH CANNABIDIOL (CBD) RETAILERS ADDRESSING KNOWLEDGE, TREND, AND CATEGORY SEGMENTATION RESEARCH OPPORTUNITIES

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Abstract: This exploratory research considers the developing stream of cannabidiol (CBD) supply and demand. Using qualitative research to address key research questions as R1: *What are the key supply-side factors that affect the production and distribution of cannabidiol (CBD) products?*, and R2: *What demand-side issues affect consumer decision making for CBD products versus other options?*, interviews were conducted with CBD retailers and suppliers in South Carolina, New York, and California. Resulting themes from the interviews fell into the following areas: Assortment Offer, Categorization, and Trend; Employee Knowledge and Customer Usage Needs; and Regulations. Suggested future research streams are provided.
With recent estimates of the cannabidiol (CBD) market suggesting sales to reach $22 billion in the next five years (CBS News.com, 2019), there has been little continuity amongst retailers and suppliers around supply side and demand side best practices. In fact, news media highlights the interest and consumer demand, often terming the market as “the wild west” given the lack of restrictions and the multitude of products hitting store shelves (LaVito, 2019). Having identified academic research specific to the retailing and marketing discipline has not yet caught up to the consumer demand, we have suggested the following primary research questions of \textbf{R1: What are the key supply-side factors that affect the production and distribution of cannabidiol (CBD) products?}, and \textbf{R2: What are the demand-side issues that affect consumer decision making for CBD products versus other options?} to address within or inquiry.

In order to prioritize the streams of research, we conducted exploratory interviews with CBD retailers and suppliers in South Carolina, New York, and California. The interview results fell into these major areas, as stated by the interviewees and through a basic thematic analysis completed by the researchers:

\textbf{1. Assortment Offer, Categorization, and Trend}

- CBD chocolates were a supply request at many retailers, citing an opportunity for CBD infusion into more than gummy bears and lollipops and food-based products.
- Cannabinol (CBN) was a focus in the larger CBD retailers, as a sleep-focused solution, citing an opportunity for more pin-pointed cannabinoids towards certain uses.
- Where CBD was inside a lockbox, the retailer stated it was hurting sales, citing an opportunity for a test to measure theft versus open access to CBD products.
• When organized by category, the retailer stated the ease of which the customer can browse the store was important.

• Despite overwhelming discussion of pet use, pet CBD was under-represented in every retailer interviewed, citing the need for further research and guidance on pet CBD dosages and the issues with using human dosages on pets.

• Adding oils to the product, and having oils (like MCT) merchandised with CBD, was noted as a top tie-in. These oils increase the bioavailability of the CBD as it’s ingested.

2. **Employee Knowledge and Customer Usage Needs**

• Retailers stated having informed employees who 1) could answer consumer questions, 2) were actual users of the product, or 3) had family members who were CBD users, was crucial to their success. Most customers cited inflammation and insomnia as reasons to use CBD products whereas medical conditions such as epilepsy was less cited.

3. **Regulations**

• Regarding food, every retailer stated they were waiting for FDA clarification on the addition of CBD to food as many had previously offered CBD infused items but stopped

• The Safe Banking Act is another source of confusion, with retailers taking various forms of cash/credit/debit payment and many banks did not know if they could even keep the sales dollars together with the sales dollars from non-CBD products.

• The need for a third-party testing consistency, or even a government-approved rating, was desirable from most retailers. The issue with mislabeled, or deceptively labeled, products is a customer topic heard consistently.
Literature review supporting research streams

Opportunities for research on retail category product assortments would be of importance for CBD retailers and service providers who wish to carry the “right” CBD products versus a more broad-based approach (Zwanka, 2018). One might consider “risk” related theories and constructs such as those that encompass perceived risk from a financial, social, or a physical/performance aspect (e.g., Stone and Gronhaug, 1993) as necessary to better understand the reasons by which consumers choose to purchase CBD products. In regards to employee expertise, and the appearance of retailer and employee knowledge, perception of satisfaction were higher among specialty grocery store customers compared to conventional grocery store customers. For both store formats, store price, product assortment, service and quality positively influenced satisfaction (Huddleston et al., 2009).

The study of consumer demand issues is of key importance, as product availability shifts from something that is unique to that of mainstream consumption across multiple product categories. Consumers purchase CBD in a number of forms (tincture, lotion, vape, infused foods, and pet products). Recently in the U.S., vaping of nicotine has been of great concern, as many teenagers have become ill or died as a result of using products such as Juul (Raven, 2019). Recently, the Army Public Health Center has created a public health alert for the use of vaping products that include both cannabis and cannabidiol (CBD) as well as nicotine (Army Public Health Center, 2019). With these factors now in play, the implications of carrying and selling each form of CBD and the potential affect to public health should be reviewed.

Brightfield’s report offered a summary that diagrammed uses, ingestion methods, as well as current manufacturing brands. This study revealed that of its respondents 58% of CBD “only” users were women (Brightfield, 2017). As contrary opinion, Shute (2019) advised readers to
pump the brakes regarding CBD and its purported far-reaching relief. Shute states that “the science is skimp at best”, and that people looking into CBD use often encounter “a muddle of marketing masquerading as impartial information”.

In regards to pet usage, there is a lack of FDA approval and no clinical studies for animals have been done to prove these claims. Even with the lack of approval and studies, the CBD for pet market is booming (Greb and Puschner, 2018). In Colorado, an anonymous survey was given to pet owners who buy CBD products from an online company. The survey included 632 responses, where 58.8% of respondents claimed they use a hemp product for their dog. They found that 93% felt that the CBD treats performed equally or better than other medicines. Pet owners noticeably see that these treats are performing the same or equally than other medicines, and only 7% reported that CBD does not perform as well (Kogan, 2016). In regards to pet CBD usage, Zwanka states many pets are being given human dosages, which is a mistake and may be due to retailers’ lack of category management focus and the ability to segment CBD for humans and pets (Zwanka, CBD Reality, 2019).

Kees et al. (2019) argued that a need exists for public policy and marketing research to address cannabis as it continues to become legal across the various U.S. states for both recreational and medical use. Yet, as cannabidiol (CBD) differs from cannabis in terms of the amount of psychoactive properties found in the chemical tetrahydrocannabinol (THC) common to both plants, and that CBD derived from the hemp plant became legal across the US under the 2018 US Farm Act, new opportunities arrive for companies to deliver unique and innovative retailing services targeted to individual customer needs. The need for further inquiry into the governmental and ethical side of CBD supply issues remains strong, in regards to consumer confidence in relation to the presence or absence of regulation and common practice
requirements, similar to organic certification labels. Wong argues that an effective product label is a valuable asset because it assists imperfectly informed consumers in their decision making (Wong et al., 2008).

Finally, we suggest an umbrella set of research to further consider the role of government intervention, policy, and ethical considerations on both the production and consumption side to better understanding the development of new CBD markets both domestically and internationally. The challenge for businesses is to consider more innovative ways to incorporate these products into their products and services. Perhaps government regulation will, at some point, do much of this for them in terms of what can be done and what cannot. As retail and marketing researchers, any “new industry” demands adequate inquiry into not only cause-effect considerations but also factors affecting consumer acceptance.

In detail, we suggested the following points of future research inquiry based upon the information provided above. These include supply-side research opportunities related to retail assortment, pricing and promotion, channel and format opportunities, licensing and product testing as well as production-related opportunities. The role of regulation must also be addressed. For future demand-side research, areas including consumer trust with retailers and labels, demographic and cross-cultural comparisons, word-of-mouth marketing and demand as a replacement for medicine/supplements should be addressed to better understand this growing and profitable retail market opportunity.
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THE NEED FOR GREATER TRANSPARENCY: A PROPOSED TRANSPARENCY BUSINESS MODEL (TBM)

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Abstract: Rising consumer distrust levels, troubling labor conditions, and negative environmental and sustainability impacts have all led to the need for greater transparency in the $2.5 trillion textile and apparel industry. Furthermore, non-profit organizations’ calls for action are the direct result of catastrophic manufacturing disasters and questionable retailer business practices. While some companies are taking actionable steps towards creating a transparent model, there is no consistent model for all retailers to follow. This paper provides a consistent framework for a supplier-focused Transparency Business Model (TPB) with the consumer at the center.
Transparency – Why Now?

Consumer’s distrust level has reached an all-time high and they now want to know specific details from design to production to disposal of their garments - i.e., consumers want greater transparency. Egels-Zandén, Hulthén, & Wulff (2015) define transparency as disclosure of information about supplier names, environmental impacts, and labor conditions within the facilities where product is manufactured. Inconsistent practices amongst fashion retailers and the substantial negative environmental and social sustainability outputs (McNeill & Moore, 2015) are all contributing factors to an increasingly unsustainable fashion industry. Industry leaders have agreed that one of the biggest challenges for the $2.5 trillion fashion industry is the need for greater transparency (Amed, Berg, Balchandani, Anderson, Hedrich, & Young, 2018). Key transparency needs identified were: “value for money, creative integrity, and data protection” (Amed et al., 2018, p. 17). While there are a number of organizations that are serving as change agents and advocating for greater transparency, catastrophic manufacturing disasters and questionable business practices have left consumers still wanting full disclosure.

The Need for a Transparency Business Model (TBM)

While some companies are taking steps towards a more transparent business model, there is no consistent guiding tool for retailers. Some of these company-set standards may be guided by calls-to-action, pledges, or laws (in select countries), while some standards may be simply established within the company with no or little guidance. A sustainable business model for the fashion industry (FFSBM) was developed to provide a starting point for researchers and industries to move in a more sustainable direction, with the consumer placed in the center of this model (Burton, Eike, & Myers, 2019). As transparency is a main component in this larger model, a more condensed framework that focuses on transparency is outlined in this paper and outlines
key points for companies to question their transparency practices: 1) sourcing decisions, 2) cost and product information, 3) factory and vendor practices, and 4) waste generation as resource.

**Figure 1. Transparency Business Model.**

The following paragraphs describe some of the entities that have made calls for greater transparency in the apparel industry and how their work aligns with the model.

**The Call to Action**

Organizations such as Fashion Revolution, created as a direct result of the Rana Plaza incident (Center for Policy Dialog, 2013), encourage consumers to ask one question: “Who made my clothes?” This non-profit organization is located in over 100 countries and regularly campaigns for fashion industry reform with a sole focus on greater transparency in the supply chain (Fashion Revolution, N.D.). The Clean Clothes Campaign is the largest global alliance of
labor unions and non-governmental organizations dedicated to improving working conditions in the garment and sportswear industry. This organization hosts a campaign called #GoTransparent and in 2017, created an “Apparel and Footwear Supply Chain Transparency Pledge” with the goal of creating minimum transparency standards for brands (Clean Clothes Campaign, 2018). However, this campaign has gained minimal traction with mass retailers. The Ethical Trading Action Group (ETAG) proposed a requirement for companies to disclose the identity of global suppliers. Those advocating for the disclosure of factory information suggest that companies and consumers would pay more attention to working and labor conditions in which their products are made (ETAG, 2003). Lastly, the Sustainable Apparel Coalition developed the Higg Index, a set of tools specifically designed for the apparel and footwear industry to assess standards and measure performance for environmental and social sustainability throughout the supply chain (Sustainable Apparel Coalition, N.D.). Listed on the organization’s website are a number of leading retailers, however, it is unclear who uses the HIGG Index and to what extent. These are examples of actionable practices/tools to guide assessment of factory and vendor practices.

**Sourcing Decisions and Factory/Vendor Practices**

According to Doorey (2011), “transparency can provoke institutional learning and behavioral changes” (p. 587). Previous research indicates that some laws have been established that require companies to disclose employee treatment information (Estlund, 2009; Williams, 1999). These laws require the identity and location of suppliers in supply chains to comply with apparel industry labor standards and collective agreements (Marshall, 2010; Rawling, 2006). Many apparel companies have now implemented corporate social responsibility (CSR) practices as well as codes of conduct and sourcing policies (Park and Lennon, 2006; Shaw, Hogg, Wilson, Shui, and Hassan, 2006). Companies are also disclosing their environmental impacts of the
manufacturing process. Apparel brand, Reformation, measures the impact of garments sold – tracking everything from how many pounds of carbon dioxide are produced to gallons of water used in production. Still, very few companies have adopted these and other practices amidst calls for greater transparency. Establishing clear policies and guidelines for sourcing (domestic or foreign) and communication of these policies are key for change.

**Cost and Product Information**

According to Amed et al. (2019), consumers want “increased product saturation, proliferation of product information and reviews and the rising ability to compare prices” (p. 61) otherwise known as “value for money”. They also want to know that they are buying an original item from the retailer that is based on intellectual property. Everlane is an example of one company that has adopted a radical transparency policy regarding pricing and source of products. Everlane provides detailed factory information for each product such as location, number of employees, year established, how the factory was founded, pictures of working conditions, and factory owners. In some cases, information is provided on how factory (and its employees) needs are being supported. For example, one Everlane factory in Ho Chi Minh City, Vietnam provided helmets for every employee (8,000) because they weren’t readily accessible to workers who commute to and from work via moped. Communication of logistics (e.g., fiber and textile origin, factories, employees, supporting the needs of the workers, etc.) through accurate images and narratives are inconsistent amongst retailers. Transparency of cost and product may allow consumers to purchase more responsibly.

**Waste as a Resource**

Waste is a paramount concern as rates of PCTW (Post-Consumer Textile Waste) continue to rise. Despite the fact that most items are 100% reusable or recyclable, eighty-five percent
(approximately 21 billion pounds), 70 pounds per person, of all textile waste ends up in landfills (Gabriel, 2018). Retail disruptors such as Patagonia are working to tackle this issue with the introduction of secondhand/reuse models. Their program, Worn Wear, encourages product reuse, resale, and recycling by offering customers the option to trade, sell, and purchase pre-owned Patagonia products. Daniel Silverstein, New York based clothing designer and Zero Waste Daniel founder, offers unisex garments made completed from pre-consumer textile waste.

Part of addressing the textile waste issue is designing for future use in the original product development phase. The “cradle to cradle” (C2C) design approach was introduced by McDonough and Braungart (2002) where components of a product (nutrients) can be selected and reused. All products are made from either biological or technical nutrients or a combination of the two (monstrous hybrid), and if thoughtfully sourced and designed, these separate nutrients can be reused when no longer deemed valuable (i.e., waste = food). Materials classified as “biological nutrients” can re-enter the environment and nourish living organisms without releasing dangerous toxins while “technical nutrients” are re-used in closed-loop industrial cycles. The integration of waste as a resource into the TBM encourages thoughtful sourcing and design to engage in a circular economy.

The proposed Transparency Business Model (TBM) provides a framework to guide retailers in an intentional process along each step of their business strategy with a direct focus on increasing transparency to address consumer’s concerns and demands. While the TBM focuses on one area of the greater sustainability umbrella – transparency – future research opportunities exist to test and expand this model as greater sustainability strides are made within the industry.
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THE EFFECTS OF DIFFERENT INTERACTIVE MEDIUM USING VIRTUAL HANDHELD PRODUCTS ON PERCEIVED SHOPPING VALUE

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Abstract:

Exploring virtual products is becoming increasingly commonplace within the retail environment. The introduction of several Virtual Reality (VR) headsets with lower prices and more accessible hardware allowed the spread of virtual reality shopping experience. However, it is still not fully understood how virtual product interaction can influence shopping behavior. Therefore, the opportunity to study how consumers actively interact with the virtual product may provide insights for improving the shopping experience and implementing enhanced marketing strategies. In this study, we demonstrated how hedonic and utilitarian shopping values changed when the product was explored and interacted with in VR.
Virtual product representation has been increasingly explored via emerging technologies such as augmented and virtual reality (Childers, Carr, Peck, & Carson, 2001; Krystof & Richter 2017; Lee, Fiore, & Kim, 2006; Olsson, Lagerstam, Kärkkäinen, & Väänänen-Vainio-Mattila, 2011; Papagiannidis, See-To, & Bourlakis, 2014; Shukla & Babin, 2013). These technologies provide a new and unexplored aspect that has transformed how consumers interact with virtual products to enhance their virtual shopping experience. Nowadays, online shopping occurs mostly on mobile devices, which provides easier access for consumers to explore products. However, current online shopping mediums are limited to displaying pictures and videos that do not allow for immersive, interactive product exploration. The insufficient experience with the products has led to an increased return of online product purchases due to the lack of information that occurred during product exploration (Lu & Smith, 2007). Virtual reality (VR), a new and improved medium of interaction, may fill this void (Fuhrt, 2011). Shoppers in VR can interact and explore a variety of information about the product. For example, experiencing virtual clothing in a virtual environment may enhance purchase intention (Raska, K., & Richter, T., 2017). Therefore, the opportunity for consumers to actively interact with the product may improve their shopping experience that may complement retail strategies.

Numerous studies (Dourish, 2004; Gibbs Jr, 2005; Gibson, 1962; O’regan, 2001) have explored the connection between the physical and the virtual world; peoples' perception of their virtual interaction plays an essential role in their cognitive development. These studies have shown a link between perception and action, alluding that the integration of multi-sensory perceptions to form experiences when interacting with an object (Gallace & Spence, 2014). To clarify, various sensorimotor systems such as touch and vision may affect the experience people have when interacting in the physical world. These experiences help in accomplishing tasks more
effectively; for example, when using a pencil to write something, people's attention is directed to the task and not to the pencil; the focus is detracted away from the physical tool (Alzayat, Hancock, & Nacenta, 2017). As retail experiences gain momentum in virtual settings, these tools and objects may assist in accomplishing tasks more effectively in the virtual space. This sets the contexts of our research.

Studies in retail have examined how Hedonic and Utilitarian shopping values are affected when products are virtually represented. The majority of these studies show an increase in both Hedonic and Utilitarian dimensions when people explore products virtually (Childers et al., 2001; Krystof et al., 2017; Lee, Fiore, & Kim, 2006; Olsson et al., 2011; Papagiannidis et al., 2014; Shukla et al., 2013). Hedonic shopping experience provides an enjoyable sensation from experience when using different products. Utilitarian shopping experience measures people's perceived functionality from using the product (Voss, Spangenberg & Grohmann, 2003). These dimensions also offer a useful tool to measure advertising campaigns with different positioning strategies (Park, Jaworski, & MacInnis 1986). For example, products with a high hedonic

![Image of a hammer and a table]

a. Web Condition

![Image of a VR headset and a table]

b. VR Condition

Figure 1
dimension have shown peoples’ willingness to pay more for the product (Dhar & Wertenbroch
2000) and engage in promotional sales (Chandon, Wansink, & Laurent 2000).

In this study, we explored the effect of different interactive mediums (virtual reality vs
website) on the product’s hedonic and utilitarian dimension. Similar studies have shown that
hedonic and utilitarian values increased when they are virtually explored (Childers et al., 2001;
Krystof et al., 2017; Lee, Fiore, & Kim, 2006; Olsson et al., 2011; Papagiannidis et al., 2014;
Shukla et al., 2013). We hypothesize that allowing people to use handheld products in VR will
increase the hedonic perceived shopping experience but decrease the utilitarian value of the
product. Moving forward, we argue two sets of hypotheses:

\[ H1. \text{ People interacting with virtual products in VR (vs. Web) will experience higher} \]
\[ \text{hedonic value.} \]

\[ H2. \text{ People interacting with virtual products in VR (vs. Web) will lower utilitarian value.} \]

This study recruited 48 students (27 female and 21 male, ages 18-32, \( Mdn=20 \)) took part via a
university-sanctioned participant pool for bonus course credits. The study was a one-factor
between-subjects design with two conditions (VR – Virtual Reality and Web – WebSite, \( N_{VR} =
24, N_{web} = 24 \)). Upon entering the experiment space, the participations were sequentially
assigned to one of two conditions.

**Virtual Reality Condition.** The virtual reality condition was developed using “Unity”
which is a cross-platform real-time engine developed by Unity Technologies. The virtual
environment consisted of a room representing a typical hardware store. In the room, there were
four wooden tables with four hammers on top of each table in a fixed position (figure 1b). Within
the space, there was a white wall with a written description about the product. The description
included product name, price, and some details about the product. Before entering the virtual
space, the participants were briefed on the purpose of the study and were told that they would interact with products (i.e., hammers) within a virtual space using the Oculus Rift headset and controllers. Participants were able to use the controllers to pick up the hammer and move it around. They were also instructed to read each product’s description that was presented with the hammer. Participants spent approximately 10 minutes exploring the virtual environment and the products.

![Hedonic and Utilitarian Graphs](image)

**Figure. 2**

*Web Condition. In this condition, the participants were instructed to explore a web site for a hardware store online. The website included several pages and had a functional shopping cart system. Participants were told to explore the website particularly the four products/hammers presented on the product page (figure 1a). Each product accompanied a detailed description along with the price of the product. Participants were instructed to spend approximately 10 minutes exploring the website, keeping the two conditions as consistent as possible.*

Hedonic and utilitarian shopping values were adapted from the Voss, Spangenberg & Grohmann, (2003) scale. These scales were represented as 7 points Likert-scale formats. We also
measured escapism as a manipulation check which was adapted from Mathwick, Malhotra, and Rigdon (2001) and consisted of 4 questions represented as 7 points Likert-scale format.

The manipulation check was successful. Participants reported higher levels of escapism in the VR conditions (vs. Web): \( M_{VR} = 3.61 \) (SD = 1.71) vs. \( M_{PC} = 2.15 \) (SD = 1.19), \( t = -3.44, p < .01 \), Cohen’s \( d = 0.99 \). There were no notable gender and age effects. Regarding the dependent variables, our independent t-test results revealed a significant difference between the VR and Web conditions. Hedonic shopping value was higher in the VR condition (vs. Web): \( M_{VR} = 4.97 \) (SD = 1.28) vs. \( M_{Web} = 3.51 \) (SD = 1.31), \( t = -3.89, p < .0001 \), Cohen’s \( d = 1.21 \). Regarding utilitarian shopping values, we conducted a nonparametric test due to the sample being not normally distributed across the utilitarian value. A Mann-Whitney test indicated that the utilitarian value scores was greater for Web (Mdn = 5.4) than VR condition (Mdn = 4.2), \( U = 190, p < .05 \).

In sum, confirming our hypotheses, our study reveals that VR (vs. website) yields a higher hedonic value but a lowered utilitarian value. This demonstrates that there are benefits and challenges of VR when using it as an interactive communication medium. Although, with a combination of haptic gloves, more advanced controllers and full-body sensation, VR systems have become more realistic in mimicking the physical environment. These new developments provide retailers with further outlets to enhance the overall shopping experience.
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3D KNITTING ADOPTION: IMPLICATIONS FOR RETAILING

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Abstract:

Technology developments have grown at exponential rates and the adoption of these technologies has posed a hurdle for businesses in all industries. Similarly, the textile industry has experienced technology developments in the area of knitting; of note is the novel technology called 3D knitting. By means of a case-study analysis, the researcher examined the implications of 3D knitting on apparel retailing. Based upon the companies found to be successful in their implementation of the technology, findings suggest opportunities and limitations for retailing venues and resulting business models.
Introduction

3D Knitting, a relatively new technology in the textile & apparel complex, is a type of flat-bed knitting where three-dimensional objects or shaped garments are created virtually in one piece. The technology poses certain benefits to the typical cut & sewn production sequence by eliminating wasted raw materials (Millington, 2000), reducing human error and the need for human labor to join pieces together and reducing the overall cost to produce (Choi & Powell, 2005). By reducing the necessary production steps in totality, 3D knitting has the potential to enable new methods of retailing and associated business models. The purpose of this research was to examine the implications of 3D knitting on apparel retailing. A case-study was conducted, interviewing U.S. companies who had at one point or are currently implementing 3D knitting technology into their business. Companies found to be successful and/or unsuccessful in their adoption of 3D knitting, suggest implications in retailing when approaching the implementation of this new technology.

Mass customization as a retailing strategy has been studied with the consumer’s preferences as an important driving factor (Anderson-Connell, Ulrich & Brannon, 2002). Since seamless knitting technologies are computerized there is great potential for small production runs with a wider range of variety. These machines could potentially create custom or made-to-measure garments. It has been proposed by researchers that 3D knitting offers an opportunity to “knit-on-demand” (p.89) to quickly respond to customers orders and manufacture a product within only a couple of hours (Peterson, Larsson, Carlsson & Anderson, 2008). This method of mass customization is likely to satisfy the customer more with superior fit and comfort and design capabilities. Production of the product closer to the time of sale allows the manufacturer to make better design decisions with reductions in unsold merchandise. Increased customer
service potential is also attainable within this method of manufacturing, as customers are easily heard and demand for a particular garment can be tracked (Peterson & Ekwall, 2007).

Methodology

A case-study was conducted to examine the implications that 3D knitting technology have on retailing, by investigating companies that currently have or had adopted the technology. This methodology was found to be most informative by experts in the field, to extract rich data for an exploratory study regarding contemporary issues (Yin, 2009). Eight total companies of varying sizes and product categories were studied who had already adopted 3D knitting technologies. The eighteen participants of this study were administrative employees, administrative and technology user employees and technology user employees. In-depth interview data gathering took place at the participating company’s headquarters, in the United States. Each interview was transcribed verbatim to identify any hidden meanings in the respondent’s answers. NVivo data analysis software was used to code the transcribed interview files by subject categories. The deceiving concept regarding computer-assisted qualitative analysis is the interpretive skills of the researcher required in the process. It is stated by Bryman and Bell (2003) that, “the analyst must still interpret his or her data, code and then retrieve the data, but the computer takes over the manual labor involved” (p. 445). NVivo assisted in the physical task of coding and grouping text together, but the true data interpretation relied heavily on the researcher’s conceptual mapping abilities.

Results

Insights generated from this case-study were the types of successful and unsuccessful implementation of 3D knitting into a manufacturers production sequence. This resulting success
was due to a company’s overall business model, size and culture. A variety of firm class sizes were interviewed during the case study, based on the number of employees classified by the Bureau of Labor Statistics (“Business Employment Dynamics…”, 2019). Two companies were classified as class 1; three as class 2; one as class 6; and two as class 9. Depending on the size of the company findings suggest that smaller firm sizes are more successful in their implementation of 3D knitting technologies. One company offered a mass customization element to their customers with products that could be ordered in custom color combinations and have personalized text added within the knitting. The other created garments that were made-to-measure, with a heightened ability for superior fit. Both companies retailed solely through e-commerce retailing where customer orders were received in batches every day and then added to a daily knitting log. These orders were then able to move through the knitting/manufacturing process in a matter of a few days and shipped directly to the customer without product inventory overhead. The only necessary material overhead requirement was the yarn input to create the desired product. This quick speed to market has served as a driver for adoption of 3D knitting technology and allowed for the creation of a new business model for the apparel industry. Other successful means of implementation of the technology included firms acting as research and development entities and contract knitting of specific fine-gauge garments.

Besides implementing on-demand manufacturing and e-commerce retailing, several factors related to the production process have been identified as drivers for adopting the technology, including: reduction of the labor component; increased production speed; ease of logistics; scalability; rapid prototyping; quicker speed to market; agile supply chain; in-house manufacturing; and manufacturing optimization.

Discussion
3D knitting implementation is seen to be an innovation that significantly impacts retailing. Based on the firms that were found to be successful in their implementation of 3D knitting, assertions may be made for opportunities for the adoption of the technology. Smaller firm sizes were found to be successful due to their ability to have an agile supply chain by implementing in-house manufacturing, on-demand through e-commerce retailing. 3D knitting also allowed for an alternative production strategy through mass customization and personalization of a product. This business strategy can serve as a good example for other firm class sizes to consider adopting agile supply chains and mass customization with in-house manufacturing.

The larger firms examined during this case study had not adopted this business strategy and tended to struggle with implementation using 3D knitting. These firms were found to be limited in their ability to incorporate 3D knitting into their traditional production process. In order for larger businesses to benefit from the adoption of 3D knitting technology, attention will have to be paid to the retailing strategy by implementing agile supply chains similar to those of the smaller firms interviewed in this case study. Opportunities for larger businesses are to develop smaller cohorts within their existing structure in order to respond more quickly to their customers, adopt in-house manufacturing and establish research & development departments related to 3D knitted products.

Conclusion
The purpose of this study was to examine the implications on the adoption of 3D knitting to retailing venues. Firms found to be successful in their implementation were smaller in size and more agile to meet the demands of their customers by adopting an on-demand manufacturing strategy. By reducing the amount of inventory and overhead as traditional production processes,
these businesses have found success using 3D knitting. These cases serve as an example for larger businesses to adopt smaller business strategies in order to successfully implement innovative textile technologies.


MINING REVIEWS: EXPLORING CONSUMER RESPONSES TO SMART CLOTHING FOR HEALTHCARE

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Abstract

The purpose of this research is to evaluate consumers’ responses toward healthcare smart clothing to identify preferred technical and clothing features. A review of the literature identified the themes associated with consumer acceptance of healthcare smart clothing mainly from aspects of technology, privacy, and health safety. Online customers’ reviews were collected from social media. The qualitative data compilation and analysis was done using Nvivo. Empirical results showed most of the users care about functional congruence, effort expectancy, and hedonic value. Implications were provided to the designers and manufacturers for better handling the complexities of assembling technical and clothing attributes of smart clothing.

Keywords: Smart Clothing, Consumer Response, Technology, Healthcare, Nvivo
Research Rationale. Healthcare smart clothing is incorporation of electronic components with clothes which is able to sense the human body and the surrounding environment (Michaelis et al., 2016; Page, 2015). Currently, such smart clothing mainly focuses on training improvement for athletes or athletic performance and healthcare for children and elderly people. Smart healthcare clothing embedded with sensors can measure respiration rate, heart rate, perspiration, and oxygen level. All the measured information can be viewed in real time or stored for later to view via Bluetooth connection with a smartphone or a computer (Yazar, Erden, & Cetin, 2014). The adoption and use of healthcare smart clothing for children and elderly people to monitor the bio-physical activities, footsteps, sleep patterns, diet schedule, heart rate, and oxygen level has been increasing (Zhu, Liu, Li, Li, & Inoue, 2015).

Despite having many advantages one-third of the adopters in the U.S. have abandoned using these wearable technologies only after six months of purchase (Ledger, 2014; Michaelis et al., 2016). The ultra-niche product providers have been struggling with a wider range of challenges including product convenience, washability, and overweight over other smart wearable devices such as wristbands and watches (Walker, 2014). Even though the development and popularity of these healthcare clothing products are expected to rise (Seymour, 2008), the wide acceptance and continued usage among consumers has been the actual challenge (Shih, Han, Poole, Rosson, & Carroll, 2015).

Manufacturers of smart clothing are always fascinated in integrating new technical features into products (Hwang, Chung, & Sanders, 2016) while consumers are lack of knowledge about new innovation’s advantages, causing high level of uncertain for adoption and usage
Perceived quality features can enhance product acquiring (Karahanoglu & Erbug, 2011), while the user experience could intensify or stop usage (Shih et al., 2015).

The Internet provides an abundance of information to learn about consumers’ experience of smart healthcare clothing. One of the approaches to make use of web content for research is Web Content Mining (WCM) (Bharanipriya & Prasad, 2011). WCM adopts data mining techniques to automatically discover and retrieve information from web documents and services. However, to date, no study has been done using a WCM approach to examine and analyze feedback from consumers who have had real experiences of smart healthcare clothing. To this end, this study tried to understand how consumers perceive the features of smart healthcare smart clothing and their responses toward using such products using the WCM approach.

**Literature Review and Research Propositions.** A review of related literature found that Technology Acceptance Model (TAM), Health Belief Model (HBM), Protection Motivation Theory (PMT), and Unified Theory of Acceptance and Use of Technology 2 (UTAUT 2) have been applied to understand the adoption of consumer technologies in general and wearable technologies in specific. For instance, to explore consumers’ adoption behavior of wearable technology for healthcare, Cheung et al. (2019) employed TAM, and HBM to examine consumer acceptance and found usefulness, health beliefs, the accuracy of the information, reference group influence, and consumer innovativeness, and privacy protection significantly affect individual’s adoption decision. In another study Goa, Li, and Luo (2015), evaluated the acceptance of healthcare wearable technology through an online survey under an integrated framework of UTAUT2, PMT and privacy calculus theory. Their studies found consumers’ perspective hedonic motivation, social influence, perceived privacy risk, functional congruence, and vulnerability
were the most important factors affecting fitness device adoption while perceived expectancy, effort expectancy, self-efficacy, and perceived severity are the most important factors for adoption of smart medical devices. To investigate the adoption of smart wearable devices to assist healthcare, Gao, Zhang, and Peng (2016) integrated the TAM and Innovation Diffusion Theory (IDT) to guide their empirical. Their study found perceived privacy risk is not an influential factor for adaptation of wearable healthcare devices while other constructs hold influence consistent with previous studies’ findings. Marakhimov and Joo (2017) has studied how consumers attain extended use of healthcare wearable devices focusing on health and privacy concerns, but they did not find health information concern significantly affect individuals’ adoption and usage of wearable devices for healthcare. Overall, the review of the literature identified the themes associated with consumer acceptance of smart clothing mainly from aspects of technology, privacy, and health safety.

**Empirical Study and Findings.** Online product review, a form of Word-of-Mouth communication, has become a convenient source of information. The use of the internet has made online product review a more reliable and popular source of information to the customers too. Extraction of specific features and relevant information on users' experience those who have already purchased and used the product can be significantly useful to new customers (Broeder & Van Hout, 2019). Information provided by the seller regarding the product is less authentic and persuasive compared to the information provided by actual users (Gupta & Harris, 2010; Hu, Liu, & Zhang, 2008). Therefore, online review has a significant influence on customer's decision making to purchase a product or service (Babić Rosario, Sotgiu, De Valek, & Bijnolm, 2016; King, Racherla, & Bush, 2014; Knoll, 2016). For this research, a qualitative research design has been used to examine different technological and clothing attributes preferred by consumers by
analyzing online reviews of verified smart clothing users. A comprehensive search only found available consumer review information about one healthcare smart clothing for babies, Owlet smart socks. Owlet baby smart socks track a baby’s heart rate and oxygen levels while sleeping (Harris, 2019). Parents can have sound and anxiety-free sleep knowing their kid is out of any danger (Sportelli, 2017). The convenient design feature of the sock is easily adjustable and can fit easily to infants from 0-18 months ("Owlet Smart Green Sock Baby Monitor," 2018). A total of 251 reviews were collected and analyzed using Nvivo 11. Review mining revealed the following themes.

*Functional congruence* comprises facilitating conditions, price value, and response cost. Facilitating conditions include battery life, measurement accuracy, washability, product quality while congruity of the software functionality, malfunction, inadequacy of operation, connectivity options, app update, etc. are also accumulated to the parameter functional congruity. Nearly one-third of all verified customers expressed their views about the importance of functional congruence, performance expectancy, hedonic motivation, social influences, self-efficacy, and perceived vulnerability. *Performance expectancy* is found to be the other significant factor with 14% of all coding references mentioned in this aspect. The performance of health monitoring smart clothing is evaluated in terms of its measurement of oxygen level, heart rate, stress level, audiovisual communication, the accuracy of measurement, and fit. However, some reviews revealed concerns about the accuracy of measurement generated from wearing smart clothing.

*Effort expectancy*, which comprises ease of use, and customer support services are found to be another significant feature of smart clothing. *Pleasure or fun* from using smart clothing resulted from 403 sources of reference coding. Dangerfield, Ward, Davidson, and Adamian (2017) state that peace of mind is the most predominant factor resulted from the use of owlet
smart socks. Individual hedonic motivation is associated with the satisfaction of using the tech-oriented healthcare clothing. “Peace of mind” or “relieve from anxiety” is the most used phrase for the expression of hedonic motivation which leads to the recommendation of the product while dissatisfaction leads to the advice or refrain from buying the product. Social influence played a role in affecting customers’ adoption and use of healthcare smart clothing (Sun, Wang, Guo, & Peng, 2013). Empirical analysis showed social influence was the fifth-highest influencing factor for adopting and use of smart clothing for health monitoring. Self-efficacy found to be another important factor even though it only constitutes less than 5% of the total code reference sources. Last but not least, perceived vulnerability, which refers to the health risk associated with healthcare smart clothing, found its marginal influence on consumer adoption and use of smart clothing. Surprisingly, the mining of customer reviews did not find concerns about perceived privacy risk. This may because the observed smart clothing product is mainly used by monitoring babies.

Theoretically, these research findings indicate consumer adoption of wearable technology based on both functional and experiential benefits which is consistent with the extant literature. Meanwhile, desired product features may diminish consumer perceived risk. Practically, smart clothing manufacturers should keep improving functional congruence reflected by product price, functionality, battery life, comfort (Kent & Sugathan, 2017) and effort expectancy through improving ease of use. Also, a consumer enjoying using a smart clothing product would voluntarily recommend the product to others through social media (Broeder & Van Hout, 2019). This research also has limits.
References


Fig1: Nodes vs. number of coding references
A QUALITATIVE STUDY OF CONSUMER-GENERATED UNBOXING VIDEOS ABOUT CURATED SHOPPING FOR FASHION: THE CASE OF STICHFIX.COM

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Abstract

The purpose of this study was about consumers' responses toward curated subscription shopping for fashion, and their motivations for outsourcing their decisions in buying fashion products. BASIC IDS is a systematic qualitative methodology that has been used to analyze 20 consumer-generated stitch fix unboxing YouTube videos. From the analysis, it is seen that the curated subscription consumers can be classified as experiential shoppers. They pursue fun from curated surprise and opening the box in addition to styles, uniqueness, and product assortment. The risk associated with the curated surprise/uncertainty is alleviated by free return policies. Price plays a significant role in consumers' final purchase decisions as well.
**Research Rationale.** About 15% of e-commerce shoppers are subscribing to consumer goods subscription services. More online subscription providers that offer innovative curated services want to establish and occupy a market share in different categories of consumer goods (Bischof, Boettger, & Rudolph, 2019). Such popularity of subscription business models may be driven by changing consumer demands (Rudolph, Bischof, Böttger, & Weiler, 2017), especially for fashion consumers; they expect fun and inspiring shopping and consumption experiences in addition to an ever-increasing level of convenience (Randall, Lewis, & Davis, 2016). Curated fashion retailing incorporates the shopping convenience with the function of guiding consumers to choose preselected products after assessing their preferences by a fashion curator (Sebald & Jacob, 2018). This new type of retailing allows fashion consumers accessing curated, predefined, or surprise selection of fashion products, that delivers an inspiring shopping experience at the door with convenience (Bischof, Böttger, & Rudolph, 2017).

However, such popular curated subscription retailing in fashion has little received researchers’ attention (Bischof et al., 2019). Consumer fashion subscription management is a challenging practice. Fulfilling fashion consumers’ ever-changing wants and desires through curated retailing is critically dependent on knowing a consumer extensively and the personal stylist’s knowledge (Wallace, 2016). Also, how do consumers find the balance between the inspiration of new style and brands, and sticking to their predefined preferences? Overall, it is critical to understand what benefits drive consumers to accept the calculated risk associated with outsourcing their decision-making to a retailer (Bischof et al., 2019; Bischof et al., 2017). Therefore, this preliminary research intended to understand how consumers respond to this
emerging fashion retailing format, curated subscription retailing. The purpose of this study was to learn more about consumers' attitudes toward curated subscription shopping for fashion, and their motivations for outsourcing their decisions in buying fashion products.

**Theoretical Background.** Curated subscriptions can be classified into predefined subscriptions and curated surprise subscriptions (Bischof et al., 2019). Through predefined subscriptions, a consumer can fulfill regular needs by getting frequently purchased necessary products without further effort to purchase them again with some degree of discounts. This type of subscription adopted by retailers offering stable consumer goods involves minimum risk since consumers know the product that they will be receiving, and product assortment does not change during subscription lifetime. Surprise subscriptions mainly adopted by fashion and accessory retailers such as Stitch Fix, Birchbox, Trunk Club, Le Tote, and Sephora Play, offer surprise boxes customized to a consumer that includes beauty and fashion products with personal styling consultation services included at a set styling fee per delivery. Through surprise subscription, consumers routinely receive regular boxes of surprise items that are entirely chosen by the curated retailer tailoring individual consumer’s preferences. From the theory of consumer-decision making perspective, consumers give up some decision-making autonomy and outsource part of their decisions to curated retailers in exchange values which cannot be obtained through traditional retailing.

From the perspective of Person-Perception Theory, we make judgments on a person by predicting that person’s personality and behavior (Wackman, 1973). This theory is relevant in the context of curated retailing as a curator assumes consumers’ likelihood of buying by judging his or her preferences. In the curated fashion retailing context, it is the perception of the curator who interprets the cues chosen by the perceiver and forms an impression on the perceiver. In the
end, consumers respond to the created impression of the curator; i.e. either to buy the selected products after the trial or return the product. Therefore, understanding how consumers define their preferences and respond to curators’ interpretation of their predefined preferences is critical.

Consumer behavior scholars have long been exploring individual preferences from the perspectives of motivations, needs, values, and attitudes (Solomon, Dahl, White, Zaichkowsky, & Polegato, 2014). Consumer needs have been classified into functional, experiential, and social (e.g., Kim, Forsythe, Gu, & Jae Moon, 2002) or subjective, functional, and objective (e.g., Bhat & Reddy, 1998), while consumer shopping value has been well accepted as two dimensions, hedonic and utilitarian value (e.g., Babin, Darden, & Griffin, 1994). Empirical studies have shown both dimensions of shopping value significantly affect individuals’ preferences and behavioral intentions. It is needed to understand which dominant value consumers try to pursue from curated surprise subscription to better understand their preferences.

The innovation diffusion theory (Rogers Everett, 1995) postulates a five-stages individual adoption process which is composed of i. knowledge, ii. persuasion, iii. the decision, iv. implementation, and v. confirmation. This process helps an individual to develop innovation understanding, to form negative or positive innovation perceptions, to decide whether to accept or reject innovation and finally act to the actual acceptance/rejection behavior. Finally, consumers reconsider their innovation acceptance based on experiences and post-consumption evaluations. Meanwhile, Rogers (1995) also specifies innovation characteristics that affect individuals’ preferences and decisions to adopt, including observability, trialability, complexity; compatibility; and relative advantage. Based on the timing of adoption, Rogers (1995) classifies adopters as innovators, early adopters, early majority, late majority, and laggards. In the context
of consumer innovation adoption and diffusion (i.e., curated surprise subscription), understanding innovators' preferences regarding an innovation's characteristics and value derived from the adoption of the innovation are critical for the further diffusion. To this end, this research will focus on understanding value preferences toward the curated surprise subscription for fashion among the group of innovators.

**Empirical Study, Findings, and Implications.** Stitch fix.com, a personal style provider has been considered a leading curated surprise subscription retailer (e.g., Bischof et al., 2019; Tao & Xu, 2018). Stitch Fix delivers truly personalized boxes by collecting 100+ data points from each customer and categorizing merchandise according to these data points using the same metrics. Consequently, we selected a stitch fix as a representative case for the empirical study. Those stitch fix consumers who shared their unboxing experiences were considered as innovators in this study. Twenty stitch fix unboxing videos were selected with 5 males and 15 females. Half of the selected you-tubers have subscribed to stitch fix for some time, and the other half claimed the shared unboxing experience was their first time receiving the surprise box.

A systematic qualitative methodology called BASIC IDS (e.g., Boon, 2013) was used to analyze the selected 20 consumer-generated YouTube videos of unboxing experiences using Nvivo 11. The analysis revealed that a lot of curated subscription consumers are performing experiential shopping and thus be considered experiential shoppers. They pursue fun from curated surprises and opening the box, in addition to product styles and assortment, uniqueness, and newness. The risk associated with the curated surprise/uncertainty is fully alleviated by free return policies. Price plays a significant role in consumers' final purchase decisions. Consumers do realize retail manipulation through bundled pricing to encourage them to keep more or all five items. Theoretically, more research is needed to understand consumer motivation to outsource
decision-making to curated retailers or a trusted stylist. Practically, curated retailers should keep providing inspiration for new styles and brands, and remind customers to update predefined preferences with more experiences or style educations through curated fashion consumption.

References


TRADE PATTERNS AMONG REVERSE SUPPLY CHAINS

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Abstract

Social and environmental implications of global clothing consumption present challenges for balancing profitability and sustainability in an industry that draws on global resources to function.

Overconsumption, downward price pressure and rapid product life cycles prompted development of reverse supply chains for worn clothing for recycling, remanufacturing, reuse or disposal. This research examines global trade patterns to identify dominant source and destination countries to establish an overall understanding of this growing and complex phenomenon on a global scale. To that end a longitudinal analysis on United Nations’ COMTRADE data provide input for modeling dyadic trade flows of worn-clothing (HS: 6309).
Introduction

Exponential increases in clothing consumption among markets in the global north over the past two decades led to emergence and expansion of reverse supply chains for redistribution of used or unsold inventory. Paksoy, Bektas, and Ozceylan (2011) refer to forward supply chains that incorporate a reverse inventory flow as closed-loop value chains. From a broader perspective, closed-loop value chains provide a mechanism for pursuing circular economies among resource intensive industries that traditionally arrange factors of production globally to maximize resource allocation and achieve operational efficiencies (Paras, Curteza and Varsheyna, 2018). Recognition of negative social and environmental impacts of efficiency-driven apparel supply chains creates emphasis on the development of closed-loop value chains (Sandvik and Stubbs, 2019). Emerging research offers insight into the structures of reverse supply chains and their function within the global apparel industry particularly from regional and country-specific perspectives. Overall, apparel supply-chains (forward, reverse & closed-loop) are inherently dynamic, which poses particular challenges for examining reverse clothing distribution on a global scale. This analysis examines global trade patterns of worn clothing to identify dominant source and destination markets to comprehensively depict this growing category of commercial activity. The United Nations’ Comtrade data, covering 21 years of activity (1996-2017) provides input for modeling reverse trade flows for worn clothing.

Literature

The merits of reverse clothing supply chains for apparel through which products are redistributed from developed to less developed markets remain controversial (Norris, 2015). Opponents of worn clothing trade, argue that it hampers economic progress among developing nations with a stake in apparel production, thereby circumventing gains in the per capita standard of living enjoyed by developing economies in the past such as South Korea and China (Brooks and Simon, 2012; Mhango and Niehm, 2005). Contrastingly, others suggests that worn
clothing imports increase economic opportunities among developing nations by encouraging domestic commercial activity through entrepreneurship with low barriers to entry (Paras, Ekwall & Pal, 2019). Environmental views of worn clothing trade are also at odds, with advocates suggesting that longer product life cycles reduce waste (Boticello, 2012) and opponents suggesting that the resources required to redistribute low value-added consumer products are inefficient and detrimental to the environment (Brooks, 2012).

A growing number of researchers demonstrate growing volume of worn clothing exports on a global scale (e.g., Saki, 2019). For example, for 2017, U.S. worn clothing exports accounted for $632 million followed by the U.K. and Germany with $508 and $424 million (USD), respectively (https://www.statista.com/statistics/523673/used-clothing-leading-exporters-worldwide/). Parras et al. (2019) provide a comprehensive review of literature related to reuse-based value chains for clothing that incorporates conceptual and empirical work generated between 1994 and 2015. Their work suggests recent increases in academic attention to reverse logistics (closed-loop supply chains) particularly for recycling or remanufacturing, but comparatively less attention to reuse chains for worn clothing.

**Method**

United Nations’ COMTRADE data using U.S. dollar values (millions) provide the focal metric for the analysis. Data represent 21 full years of global worn clothing exports (HS Code 6309) from 1996-2017. R software generates analyses and visualization of dyadic worn clothing exports from a single export market to a single import market. Due to the sheer volume of data distributed over numerous countries and regions over time, graphical presentation is constructed to support interpretation of the findings. This is accomplished in part by construction of an interactive model that considers the top ten export and import countries over the analysis period (Figure 1). The model allows researcher manipulation of the three dimensions and generates a visual Sankey diagram for interpretation.
Results

Data suggests steady growth of global worn clothing exports (USD$) over the 21 year period (Figure 2). As expected, developed economies including the U.S., the U.K., and Germany account for the majority of worn clothing exports over the analysis period, constituting a collective 40 percent of market share during the recent period (2014-17) (Figure 3). These developed countries also suggest steady incremental growth over the analysis period reflecting increases in corresponding per capita apparel consumption. Notably, Chinese exports of worn-clothing suggest substantial volume beginning 2014 and ranking among the top five overall countries in terms of export value by 2017. South Korea increased its annual share of worn clothing exports steadily since 2008. Poland represents an additional notable entrant among the top worn-clothing exporters indicating consistent volumes in the recent past (2013-17). France suggests marked decreases in global exports of worn clothing post 2004 along with Japan to a lesser degree with noted decreases in 2011.

In terms of the recent period (averaged, 2013-17), predominant country destinations for U.S. worn clothing include Guatemala (11%), Canada (10%) and Chile (9%). The U.K.’s top markets for worn clothing exports include Ghana (14%), Poland (12%) and Pakistan (10%), while Germany’s top export destinations include Poland (12%), The Netherlands (9%) and The Russian Federation (4%). South Korea’s top three destinations include Cambodia (13%), Malaysia (10%) and The Philippines (8%), while China’s top three destinations are African including: Kenya (12%), Angola (9%) and Tanzania (8%).

Discussion and Implications

The diversity of destination countries around the world suggests likely distinctions among reverse supply chain operations, potentially driven by region, policy, strategy or a combination of factors. With the exception of Chinese worn clothing exports to Africa, most dominant export countries trade within geographically proximate regions. In some cases,
destination countries, as depicted in this research, may actually serve as hubs for redistribution to a final destination market. For example, Poland and countries in Sub-Saharan Africa represent reuse markets, while Canada likely redistributes U.S. exports for various end uses.

Note that this study only considers the largest volume worn clothing exporters and their top import destinations in terms of dollar value. This limitation restricts consideration of countries or regions that may be active in reverse supply chain operations on a smaller scale that could be influential in the future. For example, in 2017, Pakistan, India and Malaysia represented the top three global importers of worn-clothing, yet only two of these countries emerge in the analysis as top destinations including Pakistan as the U.K.’s third largest export market and Malaysia as South Korea’s second largest export market (Statista, 2019). This finding suggests that these countries draw on supply from multiple export markets. Further research into the intermediary flows of apparel in reverse supply chains is necessary to fully comprehend the efficiency of closed-loop supply chains for apparel. Attention to policy and regulatory environments should also be considered in this research context.

Figure 1. Interactive model for generating Sankey diagrams to visualize worn clothing trade (USD, millions)
Figure 2. Worn Clothing Exports, 1996-2017

Figure 3. Largest global exporters of worn clothing and top five destinations (1996-2007)
References


EXPLORING YOUR CONSUMERS’ DECISION MAKING FOR LUXURY CO-BRANDS

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Abstract

The purpose of this study is to examine the level of young consumer's desirability towards luxury co-branding combinations when luxury fashion brands collaborate with mass market brands, fast fashion brands, sportswear brands, and high-end streetwear brands, respectively. Conjoint analysis is employed to evaluate attribute based trade-offs among the respondents’ decision processes. The results illustrate how different attributes (i.e. brand combination, distribution channel, uniqueness, and price) affect young consumers’ desirability on luxury co-branding combinations. The ranking of luxury co-branding combinations from greatest to least desirability with the respective desirability indices are presented and discussed in the study.
Introduction

Co-branding is an increasingly popular business strategy adopted by luxury fashion retailers to serve new markets (Yeoman, 2011). In recent years, fashion brands forged numerous novel combinations between luxury and non-luxury fashion brands including: Louis Vuitton × Supreme, Fendi × Fila, Nike × Off-White, Victoria Beckham × Target, Halpern × Topshop, J.W. Anderson × Uniqlo and others. To date, empirical research that focuses on co-branding for apparel tends to examine perceptions of brand image and the impact of this action on brand equity (e.g. Washburn, Till, & Priluck, 2004; Shen, Choi, & Chow, 2017). As the diversity and frequency of luxury co-branding continues to proliferate, deeper understanding of perceptions of collaborations between luxury and non-luxury fashion brands is needed to identify the collective value that these unique combinations offer to consumers. Based on signaling theory (Spence, 1973), this research examines consumer perceptions of the shared attributes among unique luxury/non-luxury combinations using conjoint analysis. The outcomes of this analysis reveal the attributes that are most desired by consumers for four luxury brand combinations with the following retail formats: mass market, fast fashion, sportswear, high-end streetwear.

Literature

Co-branding is defined as pairing two or more constituent brands to form a separate composite brand or unique product (Park, Jun, & Shocker, 1996). Okonkwo (2007) suggests that co-branding provides access and exposure for luxury brands to consumers outside of traditionally exclusive luxury markets thereby expanding brand awareness and creating new market opportunities for the luxury constituent. Further, Okonkwo (2007) asserts that non-luxury constituent brand positions benefit directly from association with desirable luxury constituents. In contrast, risks can also arise when consumers transfer previous negative experiences with a single constituent brand to the partner constituent or the composite brand.
Additional forms of incongruity between constituent brand images can lead to unsuccessful combinations and as such suggest that fit between constituents can impact a co-brand’s success (Motion, Leitch, & Brodie, 2003; Votola & Unnava, 2006).

Signaling theory is employed across disciplines to understand the decision making process in situations characterized by information asymmetry (Spence, 1973; Rao & Ruekert, 1994). Based on this theory, brand positioning strategies among newly formed co-brands convey a set of signals in the form of brand attributes that ultimately signal brand messages to consumers (Singh, Kalafatis, & Ledden, 2013). Due to the absence of attribute based research in the co-branding context, specific attributes (signals) are derived from the broader, co-branding literature (e.g. Motion et al., 2003; Washburn et al., 2004; Uggla, 2017).

Specifically, four attributes that shape brand associations for consumers and coalesce to create the brand position are identified: brand combination, distribution channel, uniqueness, and price.

Methodology

The study was conducted at a public land-grant university in the Southeastern US using a convenience sample comprised of graduate and undergraduate students (N=128). A full profile D-Optimal approach guided questionnaire design resulting in 18 unique co-branding combinations. A five-point rating scale from very undesirable (1) to very desirable (5) measures participant preferences for each co-branding combination (Poortinga, Steg, Vlek, & Wiersma, 2003).

To address the research purpose, four major attributes are examined. The *Brand Combination* attribute represents a luxury brand (i.e., Louis Vuitton) and mainstream representatives from the fashion hierarchy including: Target as the mass brand, H&M as the fast fashion brand, Nike as the sportswear brand and Supreme as the high-end streetwear brand. The selected brands have engaged in widely publicized co-branding efforts in the
recent past, while the combinations presented in the research are contrived. The decision to use existing brands for the fictitious combinations arose from the pilot study through which participants indicated a strong preference for recognizable brands. The Distribution Channel attribute represents the seller in the co-branding dyad and, as such, includes a luxury and non-luxury channel. The Uniqueness attribute reflects the exclusivity associated with the luxury constituent and is captured on three levels from most to least novel based on the number of initiatives undertaken by the luxury brand. The Price attribute is represented by the differential between the non-luxury brands’ typical pricing position and that of the luxury brand. The least square (LS) mean is used to examine the effect of individual attributes on participants’ desirability for luxury co-branding combinations (Cai, 2014). The desirability index (DI) is applied to analyze participants’ preferences for each unique co-branding combination considering the interaction effects among different attributes (Rothenberg & Matthews, 2017).

Results

Results suggest that Brand Combination, Uniqueness, and Price significantly impact consumer perceptions of the co-branding combinations, while Distribution Channel does not indicate an impact. LS mean estimates indicate the influence attached to each individual attribute level (i.e., higher LS estimates indicate stronger preference). For Brand Combination, Louis Vuitton × Nike (3.070) suggested the highest preference among respondents, followed by Louis Vuitton × Supreme (2.806). For Uniqueness, luxury brands that typically engage in a single collaboration per year enjoy higher preference for subsequent combinations among respondents (2.857). In terms of Price, respondents primarily prefer the co-branding combination prices that are based on non-luxury brands (3.201), followed by the prices that fall each constituent brands’ retail price (2.705).

Desirability indices suggest respondents’ perceptions of each co-branding combination
(range: 0-1; 1 indicates highest desirability). The Louis Vuitton × Nike combination indicates the highest desirability (0.665) among respondents when retail price is most similar to Nike and this combination represents the only Louis Vuitton collaboration for 2020. The Louis Vuitton × Nike combination also indicates the second highest desirability (0.615), however this combination occurs under the scenario whereby more than one collaboration will be initiated by Louis Vuitton during 2020. Louis Vuitton × Supreme reflects the third highest desirability index (0.607). Under this combination retail price is similar to Supreme and this combination is Louis Vuitton’s only collaboration during 2020.

Discussion, Limitations and Future Research

The findings of the study illuminate trade-offs that consumers make when evaluating co-branding combinations between luxury brands and mainstream brands that vary in terms of markets. From a general perspective the results suggest that luxury brand collaborations with sportswear (Nike) and high-end streetwear (Supreme) brands result in higher desirability among consumers compared to collaborations with fast fashion (H&M) and mass market (Target) brands. Recent fashion trends that blur the boundary between active and casual wear likely explain respondents’ favorability towards a combination that offers style and comfort (Grant, Hanlon, Spaaij, & Westerbeek, 2017). Likewise, street culture heavily affects Millennial and Gen Z fashion preferences (Smith, 2018), further promoted among social media which introduced the mainstream to high-end streetwear (Fernandez, 2019). Thus, mixing streetwear with high-fashion is a familiar concept to consumers. In terms of Uniqueness, respondents are more willing to purchase luxury co-branding combinations if they perceive that this collaboration is exclusive. In fact, the results suggest that engagement in collaborations on the part of the luxury constituent beyond one per year with different partners do not appear to influence consumer preference. The findings related to Price suggest for the most part that consumers prefer the price point that is consistent with the
mainstream constituent (i.e., less expensive). Given the motivation for luxury brands to engage in mainstream collaborations to reach a broader market, this finding is not surprising.

Limitations of the study associated with conceptual scope include the potential omission of meaningful attributes (signals) or potential attitudinal moderators such as brand familiarity or favorability may have influenced the outcomes which focused on a narrow set of brand combinations. Indeed this shortcoming can be addressed in future research by using multiple brands to represent luxury and non-luxury constituent brand which reveals an additional limitation of the study’s design. Though the student sample represents a suitable demographic for this study given their age and familiarity with the constituent brands, generalizing to the larger population should be undertaken with this knowledge in mind. Further, exclusivity among the frequency of collaborations on the part of the luxury constituent consistently emerged as a preferred attribute among respondents. The research measured this attribute on three levels: one collaboration per year, two to three collaborations per year and more than three collaborations per year. If indeed, this relationship holds over additional contexts empirical attention to the impact of frequency and other indicators of uniqueness can offer insight into luxury and other related co-branding efforts.
References


LOVE THIS PRODUCT: URBAN RETAILERS’ USE OF EMOJIS ON SOCIAL MEDIA POSTS

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Abbreviated Abstract:

Emojis are being used extensively on social media, as they provide a visual, universal cue to people regarding the topic of the social media post. Since retailers are using social media extensively in their marketing mix, it is imperative to build a foundation to understand how emojis are currently being used in a retail setting. A content analysis on 18,542 emojis was conducted to determine how urban, independently-owned retailers are currently communicating with consumers via emojis. A proceeding study will utilize the information outlined in this foundational study and determine consumer perceptions of the most highly used emojis.

Keywords: Emojis; Urban Retailers; Social Media
Emojis can be eye-catching and can visually express emotions in a single icon. Emojis have become an essential part of communication on social media (Ge & Gretzel, 2018), and must be considered by retailers when sharing information with consumers. Since social media is now more visual than ever (Highfield & Leaver, 2016), it is essential to draw consumers to brand content using multiple visual elements.

Emojis are defined as visual concepts that are not language-specific (Pavalanathan & Eisenstein, 2016). However, it is debated as to whether emojis can be considered a language of its own or an anti-language. The visual nature of emojis can also be placed in a similar category as hieroglyphs (Alshenqeti, 2016) and can be used extensively. Emojis may be overused by retailers and may not communicate the information that the retailer is intending. In a content analysis on emoji literature by Mathews and Lee (2018), it became clear that little research has been done on the use of emojis in a retail setting. However, it has been established that emojis are used in marketing pieces disseminated online or on social media (Mathews & Lee, 2018).

Little is known about how retailers are using emojis on social media for brands. Thus, a taxonomy must be established, and best practices of emoji use needs to be considered. Previous research has not determined which emojis are utilized most in a retail setting. The emojis investigated involve communication posted on SNS to consumers, but are not considered to be formal advertisements. Thus, the purpose of this study is determine the most popular emojis used by retailers. This analysis will be used as a foundation for future study on the effectiveness of certain emojis for small retail businesses.

**Literature Review**
**Consumer Use of Emojis.** Consumers have indicated that they notice the presence of emojis in retail advertisements (Das, Wiener & Kareklas, 2019). Consumers are able to determine the overall sentiment of the emoji (Scherr, Polst, Muller, Holl & Elberzhager, 2019), as emojis have been found to be fairly universal despite some differences among different genders and cultures (Alshenqeeti, 2016). Positive affect has also been found to mediate the relationship between emoji presence and purchase intention (Das et al., 2019). The more frequently emojis are used, the more positive attitude consumers have toward emojis (Prada et al., 2018). A higher purchase intention has been found when emojis are present in the advertisement (Das et al., 2019).

**Retail Adoption of Emojis.** As asserted by Ge and Gretzel (2018), there are different dimensions of emoji adoption, which includes the type and usage of emojis, and the modality and mode of the emoji. The modality of the emoji determines whether the emoji is static or animated, and the mode of the emoji includes the way the emoji is used in a single or repetitive manner. The most used method of communication with emojis include using the emoji by itself or combining emojis with text. Emojis also tend to be placed at the end of a social media post or can be used as a substitute for key words found in the post (Ge & Gretzel, 2018). Retailers are using emojis to engage consumers with the brand and are disseminating the emojis in an online context. Some brands have even created their custom emojis to signify their brand image (Mathews & Lee, 2018).

**Methods and Findings**

A content analysis was conducted on 138 urban retailers’ Facebook pages to determine the various uses of emojis. Posts from urban boutique Facebook pages (January to October 2017) were investigated, which included the use of over 18,542 emojis. Examining the use of
emojis in comments or responses by consumers and retailers were beyond the scope of this foundation study.

The content analysis yielded the top types of Facebook emojis used in urban boutiques. Various emojis were used to demonstrate a variety of events, products, and other functional aspects of the retailer. The top emojis are outlined in Table 1.

Table 1. Top Emojis Used in Retail

<table>
<thead>
<tr>
<th>Emoji Type</th>
<th>Frequency</th>
<th>Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hearts (Different Colors and Forms)</td>
<td>3,722</td>
<td>Date night; New products</td>
</tr>
<tr>
<td>Smiling Face with Heart Eyes</td>
<td>1,156</td>
<td>New products; Favorite items; Exciting event</td>
</tr>
<tr>
<td>Various Pieces of Clothing</td>
<td>681</td>
<td>New products; Shopping; Correlated with the product in the photo; Cuteness of product or text; Casual</td>
</tr>
<tr>
<td>Winking/Smirking Face</td>
<td>641</td>
<td></td>
</tr>
<tr>
<td>Sparkles</td>
<td>623</td>
<td>New products; Gold; Products with sequins or bling; Jewelry</td>
</tr>
<tr>
<td>Small Circles</td>
<td>588</td>
<td>Division/spacing of text</td>
</tr>
<tr>
<td>Flowers (excluding tulip, rose, bouquet, and sunflower)</td>
<td>547</td>
<td>Mother’s Day; Spring; Floral apparel</td>
</tr>
<tr>
<td>Sun</td>
<td>504</td>
<td>Nice weather; Summer</td>
</tr>
<tr>
<td>Raising Hands</td>
<td>379</td>
<td>New products; Now available; Amazing product/event; Employment opportunities; Sales/promotions; Reaching the weekend</td>
</tr>
<tr>
<td>Kiss (in various forms)</td>
<td>369</td>
<td>Love</td>
</tr>
<tr>
<td>Face Blowing a Kiss</td>
<td>368</td>
<td>Thank you</td>
</tr>
<tr>
<td>Party Popper</td>
<td>308</td>
<td>Winning giveaways; Reaching the weekend; Sales/promotions; New products</td>
</tr>
</tbody>
</table>

Note. N=18,542

Beyond the emojis highlighted in the table, emojis that demonstrated the faces and people (4,460, weather (1,840), nature (1,216), and holidays and celebrations (1,252) were considered to
be widely used. These categories were based off how Facebook groups the emojis. However, the two main findings consist of the retailer emphasizing the arrival of new products and the retailer highlighting events.

**Consumer Attention to New Products.** The most widely used emojis in retail are used in an attempt to draw consumer attention to new products. The heart emoji was the most widely used emoji, which usually accompanied a picture of the new product. In addition, the smiling face with heart eyes demonstrated the excitement surrounding new products and exciting events that may be happening in the store or in the community. Other emojis that highlighted new products include the sparkle emoji, raising hands emoji, and the party popper emoji. These emojis highlight how retailers are trying to humanize their connection with consumers and highlight their products.

**Highlighting Events.** The other top emojis found in retailers social media posts are emphasizing a response to a certain event. Retailers have been found to use the winking/smirking face and the kissing face to connect with consumers through a conversational post in response to an event or community support. Flowers have been found to symbolize Mother’s Day and the arrival of spring, while the sun symbolizes the feeling of summer and nice weather. In addition, small circles have been found to emphasize certain words or spell out highlighted text.

**Discussion, Implications and Limitations**

Social media continues to be visual in nature (Highfield & Lever, 2016) and retailers must be aware of how emojis are being used in the marketplace. In a previous study, an average of four emojis per social media post was found for influencers (Ge & Gretzel, 2018). This study
highlighted the use of 18,542 emojis found among 138 retailers in social media posts over a single year.

The emojis that were used extensively in this study were positive in nature, and tended to highlight the arrival of new products. However, the use of positive emojis may be specific to the industry, as influencers have been found to use both positive and negative emotions (Ge & Gretzel, 2018). Overall, the perception of emojis was deemed to be clear in cross-checking with the post’s text. In a previous study, differences in the perception of emojis among people that were familiar or semi-familiar with emojis also wasn’t detected. However, people that weren’t familiar with emojis weren’t able to classify emojis into different categories. In particular, Baby Boomers aren’t as familiar with emojis and may have a difficult time classifying the meaning of the emoji (Scheer et al., 2019). In response to these differences, there have been efforts to standardize emojis and their meanings, specifically by the Unicode Consortium (Mathews & Lee, 2018). Thus, retailers must consider the interpretation of the emoji by consumers based on the target market.

This research serves as a foundation for a future study on the effectiveness of emojis in an retail setting. Future research will be conducted on how difference business and owner characteristics influence the use of emojis for small urban retailers and how that affects consumer perception. Overall, the effective use of emojis for retailers is important to understand in order to attract continued consumer attention.

Due to the sheer size of the dataset (18,542 emojis), there is the possibility that some emojis were missed or mis-classified. Also, some retailers have brand names that correlate directly with emojis, which is likely to have skewed the frequency for certain emojis.
References


A REVIEW OF THE DETERMINANTS OF MOBILE COMMERCE ADOPTION AND THE EFFECT OF ADOPTION ON COMPANY BUSINESS PERFORMANCE

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Abstract

M-commerce is taking over the market share from traditional e-commerce and brick-and-mortar store channels. The number of m-commerce studies from a consumer perspective has been burgeoning. In contrast, our knowledge about m-commerce adoption from a company perspective is very scant. Merely applying the consumer behavior models to company studies could be misleading. Thus, this paper theoretically proposes a research model for studying business m-commerce adoption and its impact on business performance. This research provides a synthesis of key research findings, identifies gaps in research, and shows paths for overcoming the current research limitations by providing a research agenda.
Introduction

As an extension of electronic commerce (e-commerce), m-commerce is considered as a distinct channel for conducting business due to its unique characteristics such as convenience and accessibility (Ko, Kim, & Lee, 2009). The growth of m-commerce is exponential in recent years. M-commerce is taking over the market share from traditional e-commerce and brick-and-mortar store channels. M-commerce sales bypass the desktop e-commerce sales and account for 55% in total e-commerce sales in 2019 (Lazar, 2019). Online retailers, such as Amazon, eBay, Nordstrom, and Macy’s have all seen significant growth in m-commerce (Mau, 2013; Tode, 2012). In recent years, the number of m-commerce studies from a consumer perspective has been burgeoning (e.g., Thongpapanl, Ashraf, Lapa, & Venkatesh, 2018 Chan & Chong, 2013; Song, 2010). In contrast, our knowledge about m-commerce adoption from a company perspective is very scant (Agrebi & Jallais, 2015). This deficiency is evident in the number of publications available. Furthermore, the research models for business m-commerce adoption are underdeveloped as compared to the models developed for consumer behavior research (Oliveira & Martins, 2011). Merely applying the consumer behavior models to company studies could be misleading. More theoretical development is suggested for business m-commerce adoption (Kourouthanassis & Giaglis, 2012).

Given the great market potential for companies and the existing gap in the literature, the purpose of this research is to theoretically propose a research model for studying business m-commerce adoption and its impact on business performance. Specifically, the objectives of this study are: 1. review the current literature in the field of business m-commerce adoption and its impact on business performance; 2. to propose a research model for business m-commerce
adoption and its impact on company performance; and 3. to develop valuable implications for future research

Theoretical framework and Literature Review

The Technology, organization, and environment (TOE) model proposed by Tornatzky and Fleischer (1990) is adopted to evaluate factors that influence the adoption and implementation of a mobile commerce by companies. The TOE model considers the factors that influence the adoption and implementation of technological innovation within three dimensions: technology, organization, and the external environment of an organization (Tornatzky & Fleischer, 1990). The technology dimension includes the availability and characteristics of the technology. The external task environment dimension indicates the organization’s formal and informal lining structures, communication process, size, and slack. The external task environment includes the industry characteristics and market structure, technology support infrastructure, and government regulation (Tornatzky & Fleischer, 1990). The TOE model has been applied in the adoption of electronic data interchange (EDI), website, e-commerce, and knowledge management systems (Almoawi, 2011; Oliveira & Martins, 2011).

In addition to identifying the determinants of business m-commerce adoption, the adoption effect on company performance has been reviewed. The business values of a technological innovation adoption can be embodied by company business performance (Melville, Kraemer, & Gurbaxani, 2004), such as profitability (Andersen, 2001), innovation (Joshi, Chi, Datta, & Han, 2010), competitive advantage (Bhatt & Grover, 2005), consumer satisfaction (Cronk & Fitzgerald, 1999), environmental sustainability (Melville & Ross, 2010) etc. In this research, prior business performance studies in the literature are classified into two
categories as financial performance (cost/benefit such as return on investment, profit margin, sales growth) and marketing performance (system usage, innovation, competitive advantage, and consumer satisfaction). The impacts of the m-commerce adoption on both company financial performance and marketing performance are investigated.

**Proposed research model**

This research focuses on the company’s perspective to contribute to the m-commerce knowledge base. A research model of business m-commerce adoption and its impact on performance is proposed (Figure 1). Factors in three dimensions, technology, organization, and external environment of an organization influence the business m-commerce adoption. Moreover, the adoption of m-commerce influences company success in both financial and marketing performance.

![Diagram of Business m-commerce adoption and its impact on performance](image)

Figure 1. Business m-commerce adoption and its impact on performance
Contributions and implications

It is timely research to address the gap in business mobile commerce literature. The contribution of this research is threefold: it provides a synthesis of key research findings, identifies gaps in research, and shows paths for overcoming the current research limitations by providing a research agenda. Future research can empirically test this research model.

References


WORKSHOP: THE NEW RETAIL PARADIGM

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**Introduction.** Traditional retail models are outdated, replaced by a next retail context defined by consumer experiences and transformed through technology integration. The retailer – customer relationship is no longer one-way; the new retail paradigm has shifted power to the consumer who now has endless choice. Digital disruptor companies operate with iterative methods, in a design-
>launch->observe (customer behavior + data analysis)->revise-> launch cycle. Traditional retailers who adopt this method are most likely to survive. Students’ understanding of this paradigm is critical to future retail career success.

**Retail Reimagined: Impact on Retailers, Students as Employees, and the Customers They Serve.**

Retail homogenization has led to the demise of shoppers’ anticipation of discovery and enjoyment in traditional retail formats. Simultaneously, technology fundamentally changed how consumers live, shop, engage, learn, and experience people, places and things. Easy access technology expanded information, increased consumer expectations, and made personalization possible while decreasing consumers’ attention spans. Retail disruptors are addressing this shift by embracing innovation and data science to form a new retail ecosystem of innovative technology, fulfillment thru last-mile delivery, and brand advocates (Lobaugh, Bienniek, Stephens, & Pincha, 2017). This seismic shift from a retailer-controlled market to a consumer-controlled market has consequences for retailers and educators.
Digital Disruption: Impact on Students and Consumers Digital Behavior. Digital behavior is directly impacting how consumers shop, retailers operate, and real-time content students need to learn in preparation for successful retail careers in the 21st century. Educators need to adapt course content and teaching styles. With the launch of the iPhone in 2007, consumer and student behavior changed as they became empowered with infinite choice, powerful search capabilities and higher levels of expectation. Previous content and teaching have focused on understanding legacy retailer internal processes and challenges built around organizational silos, a push-to-consumers methodology and little to no real-time data analysis, as it was not readily available. Now, students must be informed about both the physical and digital retailer businesses, logistics and product delivery challenges, consumer demands, digital and social media impact on marketing, and retailer data informed by real-time analysis, security issues and customer expectations. Educators must also imbed teaching techniques that address shorter attention spans, smartphone and computer distractions in the classroom, and evolving student learning styles.

Consumer Experience (CX) Transformation: Consumer-Centric, Empowered, Connected, and Personalized. CX is the most important driver of business success today. It reflects the consumer’s total experience throughout the arc of being a company of brand customer. Consumers seek experiences aligned with personal tastes, preferences, and resources. For many this extends to creating a personal brand. CX is understanding, creating, and offering unique experiences that bring satisfaction
at every step of the journey. The sum of a consumer’s expectations, engagements and experiences represents an iterative, complex and dynamic path to purchase. The magnitude of consumers expectations for optimal experiences emerged from consumer empowerment thru 24/7/365 digital access. It removed geographic and time barriers; formed new marketplaces; opened information access; created new communication/media channels; and launched new ways to connect with family, friends, work, social organizations, brands and retail. CX changed consumer efficiencies, involvement, decision making and values. Moreover, consumers’ role in commerce changed at local, national and global levels. Ubiquitous interconnections on a global scale opened digital consumption opportunities to consumers worldwide. This consumer-centric perspective is driving retail reimagined. As digital natives, our students offer fresh perspectives and collective experiences across omnichannel retail. However, successful careers and retail employers must have strong understanding of this dynamic paradigm shift that is driving continuous change in consumer behavior. Cross-functional collaborative teams are key to future success in CX applications.

**Benefit of Workshop to Attendees.** An interactive forum will allow attendees to ask questions and share teaching strategies. Panelists will present teaching strategies that will build technical, conceptual, and interpersonal skills (Cook, 2012) in retail, digital retailing, and CX courses. Panelists will present examples of: (1) integrated real-time interactive business projects/case studies, (2) gaming techniques,
(3) interactive teaching projects, outcomes/tools, and (4) micro-research for CX insights and applied strategies.

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SOCIAL MEDIA INFLUENCERS (SMIs): EFFECTS ON PERCEIVED BRAND IMAGE

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Abstract:

This quantitative study examined the effectiveness of social media influencers in shaping consumers’ brand perceptions, attitudes, and behavioral outcomes. The study extended the hierarchy of effects Advertising Effectiveness model using Cialdini’s (1987) principles of influence (i.e., reciprocation, consistency, social proof, and liking). Results indicate a consumer’s brand perception is influenced by social media influencers that develop a strong relationship with the consumer by posting valuable content consistently. The proposed extended Advertising Effectiveness model suggests both theoretical and managerial implications regarding the influence of social media influencers and their impact on consumers.
Introduction

Social media platforms were created initially to communicate with friends and family; recently brands began using social media to foster relationships with consumers (Ramanathan, Subramanian, & Parrott, 2017). Consumers continue to grow their online power and presence through social media. This has given rise to micro-celebrities identified as social media influencers (SMIs). SMIs are distinct from non-influencers in that they present value-added content (Freberg, Freberg, Graham, & McGuaghey, 2011) across multiple social media platforms by providing product reviews, styling tips, and expressing personal opinions (Bernritter, Verlegh, & Smit, 2016). Consumers perceive SMIs as smart, ambitious, productive, poised, power-oriented, candid, and dependable (Freberg, et.al., 2011). These positive attributes reinforce consumers’ perception of SMIs as credible sources of information.

Consumers form relationships with others, including brands; however, it is easier and more likely that consumers will form relationships with brands when a specific personality is associated with the brand (Chiou, Hsiao, & Fang-Yi, 2014). As opinion leaders, followers may mimic SMIs by purchasing products or brands the influencer endorses, which may impact behavioral outcomes toward brands (Ki & Kim, 2019). Celebrity brand endorsement is a long-standing strategy that is extended to SMIs to build consumer relations. The increasing reliability of consumers on SMIs can impact the effectiveness of a company’s marketing efforts. SMIs are garnering the respect and interest of brand managers as a more personal way to engage consumers.

The purpose of this study was to examine the effectiveness of social media influencers in shaping consumers’ brand perceptions, brand attitudes, and behavioral outcomes. A secondary purpose was to examine the Advertising Effectiveness Model using Cialdini’s (1987) principles of influence to develop a framework for understanding social media influencer advertising.

Conceptual Framework
The conceptual framework (see Figure 1) for this study was drawn from the hierarchy of effects model of Advertising Effectiveness (AE) that posits advertising is a long-term process with short-term successes leading to a purchase (Lavidge & Steiner, 1961). The AE process is indicative of three major functions in advertising: 1) awareness and knowledge, 2) liking and preference, and 3) conviction and purchase which correspond to the cognitive, affective, conative dimensions of behavior. The AE model is intended as a foundation to study advertising effectiveness (Palda, 1966), but results are inconsistent when the model is used alone. Other researchers extended the AE model by incorporating theories appropriate for the context of the study. For example, Yu (2014) extended the AE model with the Social Comparison Theory (Festinger, 1954) to determine that brands using thin-idealized women in advertising resulted in negative attitudes toward the brand. This study will contribute to the literature by extending the AE model to include SMIs as a medium of advertising using four principles of persuasion to influence others: 1) reciprocation, 2) consistency, 3) social proof, and 4) liking, (Cialdini, 1987).

Figure 1. Conceptual Framework

Based on a review of the relevant literature, the following hypotheses were proposed:

H1. Reciprocation of an SMI will positively affect brand perception.

H2. Consistency of an SMI postings and content will positively affect brand perception.

H3. Social proof of a SMI will positively affect brand perception.

H4. Liking an SMI will positively affect brand perception.
H5. Brand perception will positively influence brand attitude.

H6. Brand attitudes will positively affect behavioral outcomes.

Methodology

This quantitative study used an online Qualtrics survey to collect data using a convenience sample of active social media users. The sample included students enrolled in courses at a large southwestern university. Existing scales modified for the social media context measured reciprocation, consistency, liking, and brand perception on 5-point Likert-type scales (1=strongly disagree, 5=strongly agree). Social proof and brand attitude were measured bi-polar scales. Reciprocation was measured on a 10-item scale (α=.92) adapted from Koschat-Fisher and Gartner (2015). Consistency was measured on an 8-item scale (α=.92) (Kimpakorn & Tocquer, 2010). Social proof was measured using a 5-item semantic differential scale (α=.89) (Olhanian, 1990), and liking was measured on a 4-item scale (α=.89) (McCroskey & McCain, 1974). Brand perception was measured on a 7-item scale (α=.96) (Sweeney & Soutar, 2001). Brand attitude was measured on a 4-item scale (α=.88) (Mitchell & Olson, 1981). A single bipolar scale anchored by “not at all likely to buy” and “very likely to buy” measured behavioral outcome.

Results

Participants (n=374) included 81 respondents who indicated they did not follow an SMI and were eliminated from the study. The resulting 293 instruments were used for data analysis. Participants were female (85.4%), Caucasian (53.9%), Hispanic/Latino (19.7%), African American (9.8%), or Asian (11%). Education ranged from high school to doctoral degrees, and more than 95% of participants had completed at least some college. Most participants (40.4%) were engaged on social media 6 to 15 hours per week followed by 36% at 16 or more hours per week, and 23.7% for five or fewer hours per week. Instagram was the platform of choice (60.9%) followed by YouTube (26.8%), Twitter (5.1%), and Facebook (4%).

Cronbach’s alpha coefficient was high for all variables: reciprocation (α=.90), consistency (α=.90), social proof (α=.92), liking (α=.89), brand perception (α=.92) and brand attitude (α=.92). Constructs of reciprocal, consistency, social proof, and liking were subjected to factor analysis with
varimax rotation to determine underlying dimensions. Results indicated the factors were unidimensional. The four factors explained 58.32% of the variance as follows: reciprocation (37.51%); consistency (9.53%); social proof (7.74%); and liking (4.04%).

Regression analysis was used to test H1 to H4 using predictor variables of reciprocation, consistency, social proof and liking, with brand perception as the dependent variable. The predictor variables of reciprocation (β=.20), consistency, (β=.40), social proof (β=.19), and liking (β=.15) predicted brand perception (F=79.072, p=<.001). Thus, H1 to H4 were supported. Regression analysis was used to test H5 with brand perception as the predictor variable (β=.658) and brand attitude as the dependent variable (F=190.949, p=<.001); thus, H5 was supported. Regression analysis also was used to test H6 with the predictor variable of brand attitude (β=.576) and behavioral outcome as the dependent variable (F=123.758, p=<.001) indicating support for H6.

**Conclusion**

Results of data analysis indicate a consumer’s brand perception is influenced by SMIs. More specifically, SMIs that develop a strong relationship with the consumer by posting valuable content consistently are more likely to influence brand perception. Findings suggest social media influencers exert influence over consumers as evidenced by the consumer’s brand perception, brand attitude, and behavior regarding the endorsed brand. The analyses reveal strong correlations in the proposed extended model, leading to both theoretical and managerial implications that should be considered when regarding the influence of social media influencers and their impact on consumers.

**Theoretical Implications**

Findings from this study add to the literature regarding social media influencers and the role of social media in forming consumer-brand relationships. There is a paucity of research to explain the influential role of the SMI and the brands they promote across channels on the perception, feelings, and purchasing behavior of a consumer following the social media influencer. This study extends the Advertising Effectiveness Model proposed by Lavidge and Steiner (1961) with Cialdini’s principles of influence (1987). Furthermore, the study suggests SMIs influence followers by shaping their perception,
attitude and purchase intention of the brand. In addition, the study also suggests the Advertising Effectiveness Model continues to be relevant using the current social media advertising format.

Managerial Implications

The results of this research suggest that managers should make use of social media influencers and brand collaborations to expand awareness which may ultimately increase sales. The expanding role of social media in consumers’ lives and its impact on the purchasing decision process indicate companies may benefit from employing SMIs to reach consumers. The results suggest that companies should determine criteria specific to the SMI role in developing consumer-brand relationships on social media to ascertain the SMIs magnitude of influence and alignment of the SMI/brand image.

References


DEVELOP A BUSINESS PLAN FOR A
SOCIALLY RESPONSIBLE FASHION RETAILER

Tara Konya¹

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Abstract:

The ESRAP Student Merchandising Competition is a juried poster competition with applicants from across the globe. Students are invited to invoke an entrepreneurship mindset, empowered to incorporate triple bottom line practices into the development of a business plan for a socially responsible fashion retailer. The business plan may be for any classification of a retailer, including re-commerce. Both academics and industry leaders judge the annual competition. The session will provide a working opportunity for attendees to analyze previous submissions and review feedback received by both academic peers and fashion industry leaders in sustainability.
Session type: Teaching Workshop

Session Members and Affiliation:
Tara J. Konya, Ph.D. t.konya@snhu.edu
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Co-Chair, Educators for Socially Responsible Apparel Practices Merchandising Competition

Additional ESRAP members and previous merchandising competition educators/participants. Participant list to be provided if workshop proposal accepted.

General Content:
Educators for Socially Responsible Apparel Practices (ESRAP) is a group of academics aimed at influencing curriculum on a global scale to better reflect the current state of social responsibility and sustainability in the fashion industry. The ultimate goal is to empower students to become change agents impacting future generations. [http://www.esrapglobal.org/](http://www.esrapglobal.org/)

The ESRAP Student Merchandising Competition is a juried poster competition with applicants from across the globe. Students are invited to invoke an entrepreneurship mindset, empowered to incorporate triple bottom line practices into the development of a business plan for a socially responsible fashion retailer. The business plan may be for any classification of retailer, including re-commerce.

The overall goal of the competition is to empower students to become change agents through the application of socially responsible business practices. As entrepreneurs, students are asked to develop a practical understanding of the challenges encountered when running a truly socially responsible business.

Students are instructed to include at least one dimension (people or planet) of the triple bottom line strategy into their sustainable business and clearly discuss throughout each section of the business plan. The profit dimension may also be considered in the financial section of the business plan. Last, at least three aspirational goals, relative to the United Nations Sustainable Development Goals should be identified in the fashion retailer’s sustainable strategy. [https://sustainabledevelopment.un.org/](https://sustainabledevelopment.un.org/)

Statement of Benefit
Both academics and industry leaders judge the annual competition. The session will provide a working opportunity for attendees to analyze previous submissions and review feedback received by both academic peers and fashion industry leaders in sustainability. As a result, the workshop will initiate a conversation on sustainability in the retail industry and innovative approaches to pedagogy. The discussion from the workshop will expand ideas for classroom teaching and learning and it is expected that this workshop will attract diverse participants.
COMPUTER VISION APPLICATION FOR FASHION E-COMMERCE

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Abstract

The retail landscape has changed significantly over the past two decades and continues to evolve toward omnichannel diversification, with a particular focus on digital and e-commerce markets. This new market environment creates both opportunities and challenges for fashion retailers due to the nature of products, which often have numerous attributes. One of the technological developments in e-commerce is Recommending Systems (RS) that suggest products and services to individuals. The incorporation of techniques developed in Computer Vision (CV) in fashion RS is promising. Therefore, this research proposes an advance fashion RS that inherent different CV techniques to recognize and generate images of fashion products.

Keywords: Fashion and Clothing, E-Commerce, Recommending System (RS), Computer Vision (CV)
Introduction

The retail landscape has changed significantly over the past two decades and continues to evolve toward omnichannel diversification, with a particular focus on digital and e-commerce markets (Manyika, Chui, Lund, & Ramaswamy, 2017). This new market environment creates both opportunities and challenges for fashion retailers. Due to the nature of apparel and footwear products, which often have numerous attributes, digital marketing is incredibly challenging (i.e., size mismatch, user’s preferences, rapid introduction of product and style choices, and more critically, the semantics that determine what is fashionable) (Iliukovich-Strakovskaja, Tsvetkova, Dral, & Dral, 2018; Kang, Fang, Wang, & McAuley, 2017).

Recommending systems (RS) represent an initial tool that enabled marketers to personalize messages within e-commerce environment, with early systems suggesting media related products such as books and music to consumers. Though RS within media related domains (e.g., movies, books, music) advanced in recent years in terms of capability, application to product domains outside of media pose numerous challenges. In particular, fashion related products including clothing, footwear and accessories. On the other hand, advances in Computer Vision (CV) field that can incorporate unstructured data such as images into RS designs is promising for the fashion domain. Therefore, the purpose of this study is to propose an RS model that draws on state-of-the-art knowledge generated in CV including image recognition and image generation.

Image Recognition and Generation

The emerging research into the design and application of RS for clothing suggests two relevant streams in CV that support model development: image recognition, and image generation. Research and thought from these areas provide the foundational base for the proposed RS.
Clothing recognition refers to a machine’s ability to identify an item as a clothing object based on a two-dimensional image. Clothing recognition research can be organized under three approaches: feature extraction, clothing classification or a combination of both. The former is achieved through localized pixel-wise or super pixel-wise detection. Clothing classification relies on user or expert generated product attributes for semantic analysis. The third category or combination method represents the current state-of-the-art and is capable of recognizing clothing items as objects within a higher-level category and extracting lower-level features such as pattern, texture and color simultaneously.

An integral part of RS design is establishing mixing and matching rules to guide the system’s recommendation logic. Researchers developed models to learn the logic of mixing and matching clothing items from experts or consumers to generate a visually favorable outfit. Toward this end a recent common practice in research is to learn from pre-matched outfits accessed from the Polyvore dataset (Hsiao & Grauman, 2018; Huang & Huang, 2017; Jiang, Xu, Cao, & Huang, 2018; Tangseng et al., 2018; Vaccaro, Shivakumar, Ding, Karahalios, & Kumar, 2016). Using Polyvore, researchers applied different algorithms and compatibility measures to train and evaluate their models. ResNet-50 algorithm and utilized a binary scoring system to differentiate a good and bad outfit.

Image generation research related to clothing RS design is limited to a single study. Kang et al. (2017) trained a conditional Generative Adversarial Network (GAN) (Mirza & Osindero, 2014) using semantic information at a high-level category for a proposed RS to suggest new styles and design new items. Developed in 2014, GAN (Goodfellow, Pouget-Abadie, Mirza, Xu, & Warde-Farley, 2014) is an unsupervised machine learning algorithm capable of generating images. GAN and its variants have been applied in diverse areas and hold unique promise for application in the development of visual RS.
The proposed fashion RS consists of three modules based on the CV literature: clothing recognition, mixing and matching rules and image generation (Figure). The model is designed to process self-generated images posted by social media users, parsed into unique clothing items. The output of module one is a vector of semantics and features generated through image recognition (first domain) that will advance to the second module for mixing and matching with brand inventory information.
(second domain). The semantic hierarchy in the two domains must be consistent for mixing and matching correspondence.

Extracted features from domain one will be matched with the features of domain two using matrix factorization along with a set of mix-and-match rules (garment coordination rules that are trained through an image recognition process). Based on fashion expert matching rules, a complementary or substitute item for the user’s current style will be selected from the second domain. After identifying clothing objects from images and candidate clothing from brand X, a new set of rules are applied to coordinate images of candidate clothing for visual processing in module three.

Given the user image and candidate item images, along with the set of combination possibilities, visual recommendations through image generation will be made to the user via social media pushes. The new set of images will augment the original image with item suggestions from brand X. The CAGAN method (Mirza & Osindero, 2014) which is capable of augmenting the original image with a recommended candidate from brand X will be used to train the model.

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https://doi.org/10.1017/CBO9781139058452

https://doi.org/10.1109/CVPR.2018.00748


MANAGING CORPORATE SOCIAL RESPONSIBILITY: A COMMUNICATION APPROACH

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Abstract

This study investigated the impact of corporate social responsibility (CSR) information source and media format on source credibility, information credibility, and corporate brand reputation in the context of fashion brand’s CSR campaign on social media. The primary data were collected from an online survey that exposed U.S. consumer respondents to various CSR information source and media format combinations. The CSR information source was designated as either a company or a consumer. The media format was a CSR news release, a CSR image advertisement, or a CSR video advertisement. The analysis of variance (ANOVA) method was used to determine the impact.
Introduction

Disclosures of CSR practices within the apparel industry have been focused on a wide range of issues, including the environmental protection, worker rights, fair trade, consumer deception and safety etc. (Gaskill-Fox et al., 2014). Prior studies have investigated how companies use different channels to communicate their CSR behaviors, including types of information provided, the targeted audiences for the information, and the factors that affect the type and amount of disclosures made (Cho et al., 2017; Coombs & Holladay, 2012; Du et al., 2010). However, there are very scant studies focused on CSR reporting among apparel companies via social media (Ashley & Tuten, 2015). Social media has changed the way that people share information and build relationships. Using interactive social media to communicate CSR issues is considered an effective means for building organization-public relationships and gaining legitimacy from publics (Cho et al., 2017).

Academics and industry practitioners attempt to gain a better understanding of the changing dynamic of corporate CSR communications (Yi, 2017). By examining apparel brand CSR campaigns on social media, this study probes certain ways of CSR communication can be more effective in resonating with consumers and generating rewards not only to the society but also to the company. Specifically, this study aimed to answer the following research question: What are the impacts of various sources (company or consumer) and various media formats (CSR text ad., CSR image ad., or CSR video ad.) on CSR source credibility, CSR information credibility, and corporate brand reputation perceived by U.S. consumers?

Source of CSR Information on Social Media
In the past, companies have relied on traditional media channels like newspapers, magazines, TV, radio, and annual reports to disseminate any key information about their business, including CSR efforts, to stakeholders. Today, fashion brands are faced with the constant sharing of information with stakeholders stimulated by new internet technology and social networking sites (Knoll & Schramm, 2015). This allows companies to utilize not only business-to-consumer messaging, but also consumer-to-consumer flows of information (Erkan & Evans, 2016). Consumer-to-consumer communication has been made more accessible through social media. This flow of information can be done through user-generated content (UGC) (Cheong & Morrison, 2008). UGC is an important factor in social media advertising that affects recipients’ attitudes and perceptions in connection with the original advertising messages.

**Media Format of CSR Information on Social Media**

There are three common media formats within online environments via social media: textual information, image/graphic information, and video information formats. Prior studies show that media formats with peripheral visual cues attract more consumer attention and are more persuasive in the e-commerce context (Aggarwal et al., 2012; Weathers et al., 2007). Textual information requires viewers to interpret what is being conveyed on their own, exerting a greater cognitive effort (Xu et al., 2015). Therefore, multiple cues and richer presentations of information allow the recipients to better understand the message being conveyed and are more likely to perceive it as credible and persuasive (Weathers et al., 2007).

**Source Credibility**

Source credibility refers to the credibility of the communicator, who may be a company or a customer for CSR message. How people perceive the information source affects whether or not they accept the information. The source of communication is a factor that may change one’s
belief, attitude, intention, and behavior (Fishbein & Ajzen, 1975). Source credibility had a direct
effect on consumer attitude towards the advertisement (Yan et al., 2010). Esmaeilpour and Aram
(2016) further probed that source credibility of CSR message has a positive and significant
impact on consumers’ attitudes toward the brand. Therefore, we proposed the following
hypotheses.

H1a: U.S. consumers perceive source credibility differently when the source of CSR
information varies from either a brand or from a consumer on social media.

H1b: U.S. consumers perceive source credibility differently when the media format of
CSR information varies from either text ad., image ad. or video ad. on social media.

Information Credibility

Dou, Walden, Lee, and Lee (2012) found that the CSR message source significantly affects
information credibility perceived by message receivers. Coombs and Holladay (2012) indicated
that empowering all involved stakeholders in CSR communication to act as the message carrier
to their social networks on social media allows the various stakeholders to do the communicating
for the corporation. In contrast, Byrum (2014) argued that incomplete, inaccurate, or possibly
biased are common issues discovered among consumer generated CSR messages. Multiple cues
and richer media presentations of information are more likely to be perceived as credible and
persuasive (Kahai & Cooper, 2003). Thus, the following hypotheses were proposed.

H2a: U.S. consumers perceive information credibility differently when the source of CSR
information varies from either a brand or from a consumer on social media.

H2b: U.S. consumers perceive information credibility differently when the media format
of CSR information varies from either text ad., image ad. or video ad. on social media.

Corporate Brand Reputation
Consumers are exposed to a great deal of information about corporate behavior from various sources. This array of information may create a positive reputation of a company, while some may serve as examples of its irresponsible or unethical behavior. Singh et al. (2012), consumers are likely to develop a positive emotional response to a company when they perceive that the company acts in a responsible and ethical manner towards its stakeholders. Dunn and Harness (2018) indicated that consumer generated CSR message can bring an amplifier effect for a company’s CSR performance. Different media formats used for reporting CSR information have an impact on the way viewers perceive the information (Xu et al., 2015). Therefore, the following hypotheses were proposed.

H3a: U.S. consumers perceive corporate brand reputation differently when the source of CSR information varies from either a brand or from a consumer on social media.

H3b: U.S. consumers perceive corporate brand reputation differently when the media format of CSR information varies from either text ad., image ad. or video ad. on social media.

Methodology

The primary data was collected by an online survey of U.S. consumers on Amazon Mechanical Turk (https://www.mturk.com/mturk/). A survey questionnaire developed by adopting questions from prior literature was launched using Qualtrics, a professional online survey software tool. A total of 299 U.S. consumers were to participate in this experimental study. Analysis of variance (ANOVA) was run on the data collected to test the hypotheses.

Results and Discussion

H1a is supported, there is statistically significant difference in perceived source credibility when the source of CSR information is varied from a brand to a consumer on social media. The results reveal that U.S. consumers perceived business as a more credible source for CSR messages on
social media than that from a consumer source. This is an interesting finding because prior studies have found different outcomes (Yan et al., 2010). This finding is more in line with Byrum (2014) findings that show consumers may still perceive corporations as authorities for information and suggests a future role for corporations in conveying CSR information. H2a is partially supported, the difference in perceived information credibility is only statistically significant for CSR image message when the source of CSR information is varied from brand to consumer on social media. U.S. consumers perceived a CSR message in image format from business more reliable than from a consumer. H3a is not supported, there is no statistically significant difference in perceived brand reputation for all three CSR message formats when the source of CSR information is varied from a brand to a consumer on social media.

H1b is partially supported. U.S. consumers perceived higher source credibility when either a business or consumer presents a CSR message in video format compared to both text and image formats on social media. There is no statistically significant difference in perceived source credibility when the media format of CSR information is varied from text to image format for both B2C and C2C scenarios. H2b is partially supported. U.S. consumers perceived higher information credibility when either a business or consumer presents a CSR message in video format than that of text or image formats. There is no statistically significant difference in perceived information credibility when the media format of CSR information is varied from text to image format for both B2C and C2C scenarios. H3b is partially supported. There is statistically significant difference in perceived corporate brand reputation when the media format of CSR information is varied from text to video or from image to video for both B2C and C2C scenarios. U.S. consumers perceived higher corporate brand reputation when either a business or consumer presents a CSR message in video format.
References


NEOPHOBIA AND THE RETAIL SOUNDSCAPE

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Retailers are interested in consumers' willingness to try and buy new products. Extant research on shopping environments has paid scant attention to how auditory cues may influence shoppers' responses to novelty. We propose that lower pitched (versus higher pitched) sounds in the retail auditory environment will make consumers more averse to choosing new or unfamiliar products. In food retail, this will result in "neophobia" or a fear of new foods. We demonstrate the effect in a retail field study.

FIELD STUDY

The purpose of the field study was to test the effects of pitch on neophobia using ambient sound in a in an actual retail space. Specifically, we test whether the presence of a relatively low-pitched vs. moderately-pitched ambient sound impacts the selection of new or familiar products in a retail environment.

Method

Setup. The study took place in a grocery store during regular weekday business hours. The study took place between 4pm and 7pm, the time window identified by store managers as peak business hours.

Prior to beginning the study, we set up a small table near the primary entrance to the store. We covered the table with a long tablecloth that extended to the floor on all 4 sides which allowed us to conceal a speaker system consisting of a subwoofer and 2 stereo speakers. We further ensured that all electrical cords remained hidden from customers entering or exiting the store.

Stimuli. We placed several unopened packages of kale chips towards the back of the table, separated by flavor, with “Texas BBQ” on one side of the table and “Bombay Curry” on the other, separated by approximately 6 inches of space. With the exception of the flavor, the
product and packaging were otherwise identical as both flavors are produced by the same company (see Appendix for package images).

In front of the packages on the table, and also separated corresponding to flavor, were small disposable plastic containers filled with kale chip samples. The research assistant ensured that 18 sample containers (9 of each flavor) were available on the table at all times. Additionally, we attached signage to the front of the table reading “Kale Chips: Free Sample” as well as signs reading “Texas BBQ” and “Bombay Curry” in front of the corresponding flavors on the table.

Pretest. The product and the flavors were chosen to represent a relatively new product to sample overall and to provide flavor options that varied in their perceived risk.

A pretest (N=48) was used to establish the perceptions of novelty and familiarity associated with the product and flavors. First, participants were asked to rate their level of agreement with two statements (“Kale chips could potentially taste (good / bad)”) using a 7-point scale anchored on “strongly disagree” and “strongly agree.” Participants were also asked how uncertain they felt about the taste of kale chips in general. Using 7-point scales, participants also rated the risk of each flavor, the confidence they had that each flavor would taste good, and were asked to choose which of the flavors they felt was more of a “sure bet.” Finally, participants indicated whether or not they had ever tried kale chips. Only seven participants had ever tried any flavor of kale chip and their inclusion or exclusion did not meaningfully affect results.

Overall, participants tended to agree that kale chips had the potential to taste good (MGoodTastePotential=5.39; t=6.23, p<.001) but similar potential to taste bad (MBadTastePotential=4.76; t=3.07, p<.01), signaling uncertainty regarding the product. There was also a relatively high rating of uncertainty regarding kale chips in general (MUncertainty=4.90; t=3.74, p<.001). Of the two flavors involved, “Bombay Curry” was seen as a significantly more unfamiliar flavor than
“Texas BBQ” \((M_{Bombay\text{Curry}}=4.54, M_{Texas\text{BBQ}}=2.15; t=8.10, p<.001)\) and participants felt less confident overall that “Bombay Curry” would taste good \((M_{Bombay\text{Curry}}=4.06, M_{Texas\text{BBQ}}=5.69; t=5.47, p<.001)\). In addition, 43 of 48 (89.6\%) participants felt that “Texas BBQ” represented the flavor that was more of a “sure bet.” Thus, the field test involves a somewhat risky product overall, with one of the two flavors (Bombay Curry) representing significantly more newness than the other (Texas BBQ).

**Procedure.** We paid a female graduate student of dietetics, who was kept unaware of the purpose of the study, to staff the sampling table during the study. We gave the student dietitian explicit instructions to invite every passing customer to sample the product and to answer any questions regarding the product in general, but not to influence a customer’s choice of flavors in any way whatsoever.

During the study, the hidden speakers emitted a constant sine wave that alternated every 30 minutes between a low 60 Hz tone and a relatively higher 720 Hz tone. These two tones were selected and pretested with the help of a professional audio engineer and volume levels were preset using an SPL meter to ensure no significant difference between the two. We set the tones at a very low volume (56 SPL) such that two independent judges could not distinguish the tone until explicitly identified and brought to their attention. The tones started with the low tone (chosen at random).

As shoppers passed the sample table the dietitian asked each one, “Would you like to try a free sample of kale chips?” Customers were then free to sample or decline, and were free to choose whichever flavor they wished to sample. A study administrator stood approximately 30-40 feet away behind several displays in the store with a clear view of the table at all times. The
administrator kept notes of the number of customers that passed the sample table, their gender, whether they were entering or exiting, the number that tried a sample, and which flavor had been selected. When uncertain of the flavor, the administrator confirmed with the individual staffing the table. When a sample was taken, another sample cup was set out immediately, such that the number of sample cups of each flavor remained consistent at all times.

After 3 hours consisting of 3 alternating half-hour periods of each tone, the study concluded.

Results

During the 3 hour period, 309 individuals passed by the free sample table. Although the tones were alternated randomly, more customers passed the booth while the low tone was playing (205) than when the high-pitched tone was playing (104). Of the 205 individuals who passed the table while the low-pitched tone was playing, 43 sampled the kale chips (21%), while of the 104 who passed the table while the high-pitched tone was playing, 25 sampled the chips (24%). There was no difference in the overall willingness to take a free sample based on the pitch of the environmental sound (Chi-Square = 0.377, NS).

There was however, a significant difference in the decisions consumers made regarding flavors. Of the 43 individuals who sampled when a low-pitched sound was playing, only 9 (21%) opted to take the more novel flavor of “Bombay Curry”, while 34 (79%) chose the safer “Texas BBQ” flavor. Of the 25 individuals who chose to sample when the higher-pitched sound was playing, 11 chose the riskier “Bombay Curry” flavor (44%) while 14 chose the safer option (56%). The difference between the frequency of flavor choices between the two pitch conditions was significant (Chi-Square = 4.05, p<.05; PROC FREQ in SAS), such that customers showed
increased aversion towards consuming a relatively less familiar and seemingly newer flavor when a low-pitched sound was present compared to when a high-pitched sound was present.

No customers ever mentioned hearing any sound or asked the table attendant about any sound, and no customers ever made eye contact with or seemed to notice the study administrator at any point.

Discussion

In this field experiment we presented consumers with 2 choices, one safe (Texas BBQ flavor) and one measurably less familiar (Bombay Curry flavor). In a real choice scenario, the pitch of the ambient sound had an impact on consumers’ neophobia, supporting our primary prediction. When a low-pitched ambient sound was present, customers exhibited a marked preference for the “safer” option over the more novel option. On the other hand, when the ambient sound was moderately pitched preference for the “safe” option is reduced.

APPENDIX: IMAGES OF PRODUCTS USED IN FIELD STUDY
CONNECTING STUDENTS TO SUSTAINABILITY IN THE RETAIL INDUSTRY: AN EXPLORATION OF ESRAP’s STUDENT MERCHANDISING COMPETITION

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Abstract

Today’s students are woke or socially aware. The rising generation of youth are influenced and inspired by peer role models such as Greta Thunberg, the 16-year-old Swedish climate activist and Nobel Peace Prize nominee. Although it is important for all stakeholders to become aware of consumer wants and needs it is today’s youth with the ultimate power to take action. One way to take action is through entrepreneurial ideas and stakeholder collaboration. Together firms, educators, and students can work together to impact sustainable change. The goal of this paper is to explore the student ideology on sustainability through a global merchandising competition.

Keywords: entrepreneurship, higher education, merchandising, pedagogy, sustainability
Introduction and Purpose:

It has become increasingly important for multiple stakeholders to understand the impact of sustainable practices in a global marketplace. Due to increased consumerism, fashion retailers have been thrust into the corporate social responsibility (CSR) spotlight (Zaczkiewicz, 2016). As a result, CSR has grown in importance as views on how retailers should embrace social responsibility have increased (Bhattacharya, Korschun, & Sen, 2009; Donia, Ronen, Sirsly, & Bonaccio, 2017; Taghian, D’Souza, & Polonsky, 2014; Yuan, Bao, & Verbeke, 2011).

Although the fashion industry has a reputation of low wages and excessive waste (Zaczkiewicz, 2016) the industry is fighting for change. Accordingly, initiatives such as the United Nation’s (UN) Global Goals, Fashion Revolution, and the Copenhagen Fashion Summit are bringing to light industry indiscretions (Newman & Smyth, 2017), the increased awareness of global concerns (Welters, 2015), and a growing need to enhance sustainability curriculum in retail education programs (Palomo-Lovinski, Copeland, & Kim, 2019). Thus, the purpose of this paper is to examine sustainability initiatives, relative to the retail fashion industry.

Today’s students are woke or socially aware. The rising generation of youth are influenced and inspired by peer role models such as Greta Thunberg, the 16-year-old Swedish climate activist and Nobel Peace Prize nominee. Greta actively participates in the Youth Climate Summit and the Climate Action Summit, both hosted by the United Nations (United Nations, 2019). According to Amina J. Mohammed, UN Deputy Secretary-General, “Young people around the world are demanding urgent climate action by all leaders. They are leading the kind of transformative change needed to drastically reduce carbon emissions to protect our planet and
ensure the wellbeing of people” (United Nations, 2019). Although it is important for all stakeholders to become aware of consumer wants and needs, it is today’s youth with the ultimate power to take action. One way to take action is through entrepreneurial ideas and stakeholder collaboration. Together firms, educators, and students can work together to impact sustainable change. The goal of this paper is to explore the student ideology on sustainability through a global merchandising competition.

Implementation and Outcomes:

Retailers have various means of influencing social and environmental sustainability (Wiese, Zielke, & Toporowski, 2015). Research shows that more than half of consumers (53%) believe that brands can do more to solve social issues. That is, consumers expect brands to lead the movement for change by addressing critical social problems (Vranica, 2018). Interestingly, in both academia and the retail industry, current events are to some extent influenced by policy debates (Kolk, 2016) with the classroom acting as an incubator for future initiatives. To address this need, the organization, Educators for Socially Responsible Apparel Practices (ESRAP) sponsors a yearly merchandising competition. The goal of ESRAP is to influence curriculum on a global scale, to better reflect the current state of social responsibility in the fashion industry, and to empower students to become change agents.

The ESRAP Student Merchandising Competition is a juried poster competition for both undergraduate and graduate students. The primary goals of the ESRAP Student Merchandising Competition is awareness of social issues and collaboration between academia and industry. It is hoped that through participation in this competition, educators across the globe can engage students through experiential learning at the course level. The competition links educators and students with fashion retail industry experts in the field of sustainability.
Students are instructed to invoke an entrepreneurship mindset and development a business plan for a socially responsible fashion retailer. The overall goal of the competition is to empower students to become change agents through the application of socially responsible business practices. As entrepreneurs, students will develop a practical understanding of the challenges of running a “truly” socially responsible business.

The business plan may be for any classification of retailer, including re-commerce (Burns, Mullet, & Bryant, 2016). Students are encouraged to incorporate triple bottom line practices in their business plan. The concept of triple bottom line differentiates between the social, environmental, and economic dimensions of corporate social responsibility while emphasizing the interdependence between them (Jones, Comfort, & Hiller, 2011; Wilson, 2015). At least one dimension of social or environmental should be incorporated into the sustainable strategy and highlighted throughout the students’ business plan. The economic dimension should be considered in the financial section of the business plan.

Last, the UN recognizes that the 17 Sustainable Development Goals (SDGs) can’t be achieved by 2030 without the help of global businesses (Global Goals, 2019). The goals are a call to action, for governments, business and civil society to work together. The fundamental goal is to build a better future for everyone through the fight to end poverty, inequality, and tackling the climate crisis (Global Goals, 2019). Thus, the merchandising competition calls for at least three aspirational SDGs goals to be identified in the proposed fashion retailer’s sustainable strategy.

**Analysis and Results:** Indeed, institutions, administrators, and educators are seeking to improve higher education through enhancements in the learning process (Kolb & Kolb, 2005). While educators are disrupting the classroom, moving beyond PowerPoint presentations to hands-on
student-driven learning, ESRAP and industry leaders are seeking to prepare students for a career in the retail industry. Through the real-world application of classroom competencies and engaging students in a collaborative problem-solving environment students are tasked with solving wicked problems.

In the 2019 ESRAP Student Merchandising Competition, students incorporated bananas as fabric, eliminated dyes from products, and suggested innovations to unsellable textiles at secondhand retail shops. Twenty-seven academics, double-blind-reviewed the student posters. The top posters were shared sixteen industry experts for a second round of double-blind reviews. The fashion industry experts included a Vice President of Strategic Partnerships and Business Strategy and several Directors of Sustainability. Students were provided the qualitative feedback on their posters. Each suggestion was aimed at enhancing CSR initiatives in the fashion industry and consequently, global sustainability.

According to the industry experts who reviewed the posters, students clearly positioned their products and identified realistic target markets. Feedback statements included, “Really interesting concept and identification of a fairly unsaturated market. I like the idea of the community collection model along with the pop-up marketing events.” Another industry leader stated, “Great idea, clear value prop, differentiated; clever vision linkage to brand be-bee; like idea of basics with twist and concept of need vs. want; only real downside is heavy explanation of marketing strategy, but no clear marketing personnel included in organizational structure, will be very critical to getting word out.” As a result, students obtained construction feedback with suggestions for improvements. For example, one individual stated, “consider scalability as this model would likely be tough to scale given its reliance on handmade/one-of-a-kind products and seamstress labor in the U.S.” Although students were provided areas of opportunity, the feedback
was often positive, “Interesting that Levi's and Gap were not flagged as potential competitors in this space. Both have implemented quite a few industry-leading sustainability initiatives. No points docked for this; just an observation.”

The poster competition highlighted the sustainability initiatives important to today’s students. By way of the ESRAP Student Merchandising Competition, students are provided an entrepreneurial opportunity to impact global social and environmental issues through business strategy. As a result, students are empowered to impact change and present their ideas to multiple industry stakeholders.
Appendix: Sample Student Poster

### TRIPLE BOTTOM LINE

**People**: Positive feedback clothing will help by giving back to lower income workers and aid people that have never had the opportunity to sell their products. It will also show a strong commitment to ethical and equitable practices, which will encourage people to purchase products that support these values.

**Planet**: Positive feedback clothing will be made from biodegradable fibers that can be composted and will not produce harmful pollutants. It will also use energy-efficient production processes and will reduce waste generation.

**Profit**: Positive feedback clothing will be priced at a fair market rate, which will allow the company to make a profit and continue to grow. It will also focus on building a community around the brand and creating a platform for support.

### Budget

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<th>Positive Feedback Clothing Budget</th>
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| Gross Sales                      | $1,079,531.00  
| COGS                             | $475,000  
| Gross Margin                     | 595,531  
| Operating Expenses               | $508,794  
| Gross Profit                     | $94,737  

### Sourcing Structure

1. We will be sourcing our wool through existing suppliers and partner with a local women’s collective in India. We will also be using the best available materials for our products.
2. We will be working closely with a local dye company to ensure that our colors are the best available.
3. We will be sourcing our buttons and other accessories from local suppliers.
4. We will be using local packaging materials to reduce our carbon footprint.
5. We will be sending our products to a local distributor for final delivery.
6. We will be offering a limited edition line of eco-friendly clothing.
7. Our clothes are 100% cotton and will be made in the USA.

### Competitive Analysis

- **G-Star Raw**: Strong in sustainability, but lacking in innovation.
- **BONOBOS**: Strong in innovation, but lacking in sustainability.
- **RE/DONE**: Strong in sustainability and innovation, but lacking in price point.

### Sustainable Development Goals

- **Water**: Use recycled water for dyeing and cleaning processes.
- **Energy**: Use renewable energy sources for manufacturing.
- **Waste**: Reduce waste by using recycled materials.
- **Community**: Engage with the community to promote sustainability.

### Target Customer

- **Social Media**: Use Instagram and Facebook to promote our brand.
- **Local Events**: Host events in local communities to engage with our customers.
- **Partnerships**: Partner with local organizations to promote sustainability.

### Marketing

- **Social Media**: Use Instagram and Facebook to promote our brand.
- **Partnerships**: Partner with local organizations to promote sustainability.
- **Local Events**: Host events in local communities to engage with our customers.

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*Note: The text is too small to be legible and the main text box is covered by a watermark on the page.*

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ADVERTISING ON RETAIL WEBSITES: IMPLICATIONS FOR CHANNEL CONFLICT

Patrali Chatterjee¹

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(Montclair State University)
Abstract:

In a hypercompetitive, omni-channel retail environment, retailers are increasingly establishing advertising DSPs (demand-side platforms) to sell ad space on their website shopping pages to competing retailers, brands, and manufacturers. While there is an established body of literature examining vertical information-sharing collaborations between retailers and their suppliers (brands, manufacturers), there is scarce research on retailer information sharing. What does this competition plus collaboration (coopetition) mean for channel conflict, especially in the context of ownership of customer data, in the retail sector? This research investigates how coopetition between horizontal participants (retailer-retailer) versus vertical participants (retailer-manufacturer) differ from similar logistics-based-collaborations.

Keywords: omnichannel, information-sharing, channel conflict, privacy regulation, coopetition
EXPLORATORY STUDY ON MILLENNIALS PREFERENCES IN BUYING BEAUTY PRODUCTS ONLINE

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Abstract:

This study examines the purchasing preferences of millennials in brick-and-mortar retail and in online shopping environments. A sample of 46 millennials was collected through SurveyMonkey Audience. In line with previous studies, millennial respondents reported that product availability, in-store communication materials, and price were the most important characteristics they considered when shopping. In addition, respondents also reported a preference for shopping on websites using a desktop or laptop computer instead of mobile apps. Respondents who did prefer mobile apps were also frequent iOS users. Overall, results demonstrate that millennials purchase preferences are dependent on the retail format, specifically in brick and mortar locations when compared to online shopping.
Extended abstract

Millennials are now fully in the workforce. Based on the research by Pew Research Center (2019), we define the millennials as those born between 1981 and 1996. Pew research center has used the life stages/life cycle of the age cohorts as the base for defining each of the generations. For this paper, Figure 1 shows the different generations as defined by the Pew Research Center.

![The generations defined](image)

**Figure 1.**

Amongst the different categories in retailing, the beauty industry alone is a $532 Billion business (Danziger, 2019). In today’s retail environment, understanding customers’ preferences is the key to success in retailing (Iyer, 2019). According to Iyer (2019), as long as business owners know which technology to invest in, there is a good chance that the business will succeed. Shoppers are more likely to purchase a beauty products that are available online and in the physical store. Thus, the question becomes: which online store should business owners focus on for their respective target markets? The focus of this exploratory study research is to examine the preferences of Millennials in purchasing beauty products. The purpose of this research paper
is to 1) examine millennial preferences for physical store characteristics and 2) examine millennial preferences in purchasing online through websites or mobile apps.

**Research questions:**

As mentioned, Millennials are now at the forefront of the workforce. This makes Millennials an attractive consumer because they are now able to purchase items with their income without having to depend on their parents. However, because Millennials are now in the workforce, they have some time limitations due to their work schedules. To understand the behavior of the millennial’s beauty shopping behavior in physical stores and online, two research questions are developed:

- **RQ1:** In the brick-and-mortar setting, what characteristics or attributes are important to millennial consumers?
- **RQ2:** When making purchases online, which channel do millennials prefer between websites and mobile apps?

**Methods**

**Data collection and sampling**

For this exploratory research, we obtained data through an online survey conducted in Survey Monkey with 46 usable samples. Descriptive statistics were used to analyze the demographics of the sample. Based on the analysis, we found that 39% of the respondents were between the ages of 23-29 and 63% of the respondents are between the age of 30-39. Out of 46 respondents, 72% are Female, and 28% are Male, with more than half of the respondents at an income level between $50,000 - $99,000.

**Results**

For physical store characteristics, we first asked the respondents to name retail stores they
shopped at previously. With this store in mind, respondents were asked to rank two groups of store characteristic items. For the first group, we presented characteristics of the physical store layout. We asked the survey respondents to rank from 1 – 5, with 1 being the most important and 5 as the least important based on the chosen retailer. Out of the 5 items presented, 52% of the survey responders reported that merchandise availability was the most important, while 38.5% identified in-store communication materials as important. In the second group of physical store items, we presented nine characteristics of a physical store including four items focusing on the ambiance of the store. We asked the survey respondents to rank these items from 1 – 9, with 1 being the most important and 9 as the least important. 56% of the respondents reported that price is the most important characteristic when they shop in brick and mortar stores. The second most important characteristic was merchandise selection, with 50% of respondents selecting it. The remaining four ambiance items had less than 10% of respondents identify them as noteworthy in their brick-and-mortar preferences.

For online purchases, we asked the survey respondents which channel they prefer to shop at. The result found that 74% of the respondents shop through websites, 22% shop through mobile apps, 4% use both. Follow up questions asked respondents to select which device they used when making online purchases. 40% of respondents used desktop computers or laptops to purcahse, while 28% of respondents used iOS phones or tablets.

Discussion and conclusions

There are many facets of millennials' shopping preferences for beauty products. Study results are consistent with Backstrom and Johnson (2006)'s findings which identify product selection, price, and communication display as the most important factors in in-store purchases. Consistency and transparency across these attributes can have a lasting impression on millennial
consumers which would increase their chance of purchasing the product. Gagliano and Hathcote (1994) also revealed that the store’s physical appearance, employees, and atmosphere formed the first impression of the store which went on to influence the consumers’ overall perception toward the store.

Product availability is not the only concern for millennial interaction; a neat and orderly environment is also key to their satisfaction. An environment designed with time-efficiency and effectiveness in mind can add value for millennial shoppers. Designing a “high impact, high performance” retail space for millennials involves hiding layout, storage, and service areas where ongoing maintenance and staffing will take place (Calienes, 2016). Researchers recommend considering store layout, product placement, implementing shopping aids, and training sales associates to maximize the service experience of millennials (Sullivan, Kang, Heitmeyer, 2012).

Limitations & future studies

This research is a preliminary study that focuses on Millenials’ beauty shopping preferences. This research used data from 46 samples which limits the generalizability of the results. For future studies, we will gather larger data samples which will include Generation Z. Further questions on physical store ambiance as a separate factor from physical store characteristics are also needed. Other additional questions that would delve down into website and mobile apps are also needed to help make business owners aware of preferred millennial characteristics in websites and mobile shopping apps.

References:


FULL PAPER SUBMISSIONS

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*International Journal of Retail & Distribution Management:*

1Best Paper: Supermarketization process in Lebanon: theoretical approaches

**Authors:** Rachel Bahn (American University of Beirut and MOISA, Univ Montpellier, CIRAD, CIHEAM-IAAM, INRAE, Montpellier SupAgro), Florent Saucede (MOISA, Univ Montpellier, CIRAD, CIHEAM-IAAM, INRAE, Montpellier SupAgro), and Fatiha Fort (MOISA, Univ Montpellier, CIRAD, CIHEAM-IAAM, INRAE, Montpellier SupAgro)

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