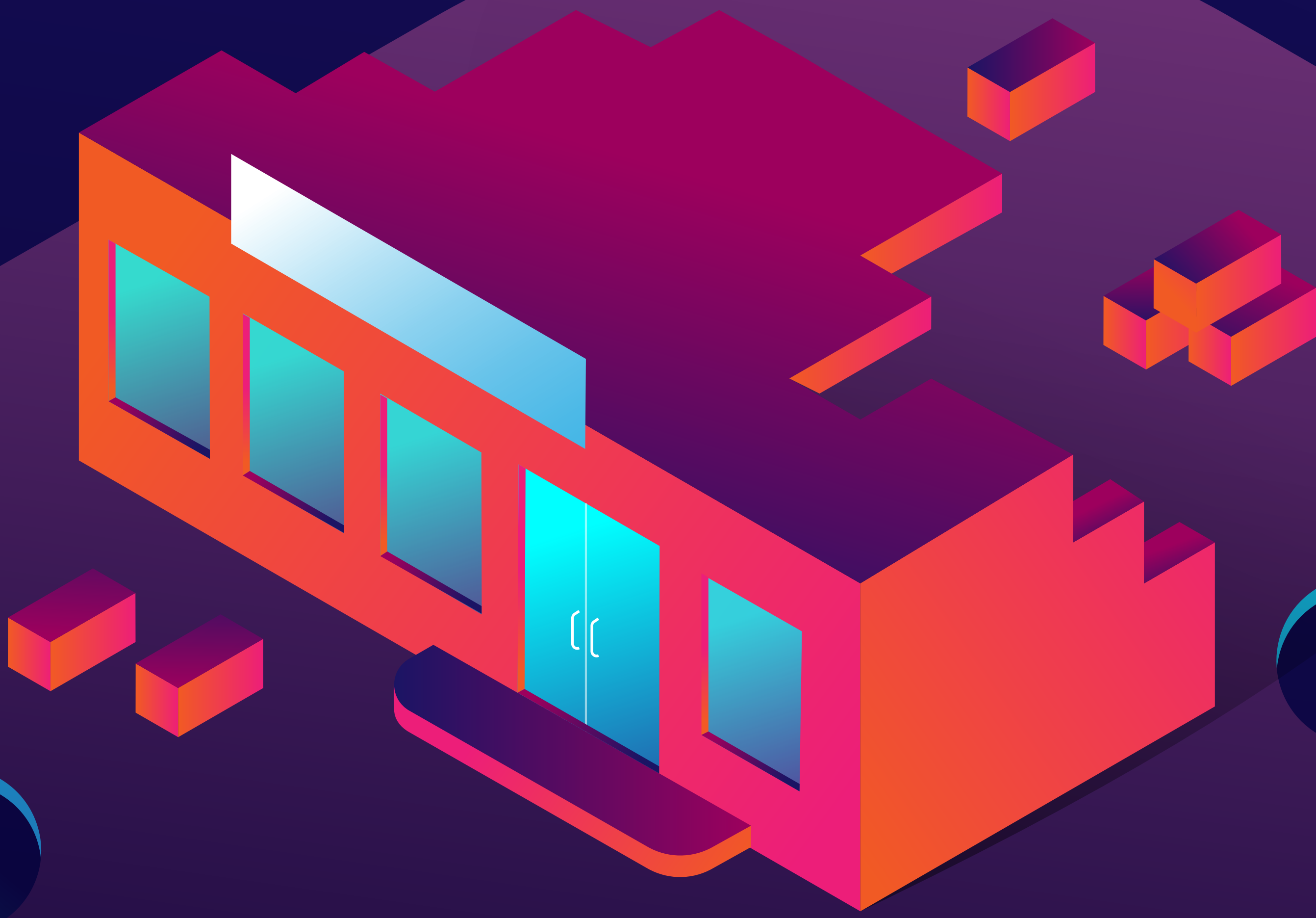
THE RIGHT BRICKS FOR A WORLD OF CLICKS

How the role of the physical fashion store is shifting in an increasingly digitalized market.



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Abstract:

Over the past decades, digitalization and e-commerce have transformed the retailing industry. Some sectors have seen it render the brick and mortar store all but obsolete; in others, it creates new opportunities for cross-channel synergies. The purpose of this paper is to investigate how digitalization, and the ensuing omnichannel retailing model, are transforming the role of the brick and mortar store in the fashion sector – a sector which has been largely impacted by digitalisation while reserving an unclear future for its physical stores. We contribute to existing literature on the subject by offering a holistic overview and focusing our research on the consumer perspective. We conduct a pre-study interview with an industry expert, ten qualitative consumer interviews, and an in-depth quantitative survey of 87 consumers. Our results indicate that brick and mortar retailing remains highly relevant for the fashion sector. We attempt to sketch a holistic outline of the role of the physical fashion store in the context of omnichannel retailing, based on the behaviors and attitudes of consumers. A key finding is that the physical store is increasingly important as a point of physical brand encounter, in contrast to the less engaging online touchpoints. Service quality was also found to have great potential as a differentiating competitive advantage over online retail. Moreover, we propose an outline of the optimal assortment for a physical fashion store in a digitalized context, and we offer a distinction between fashion product categories prone to be shopped online versus those prone to be shopped in store, with *involvement* and *fit-importance* as key determining factors. To complete our holistic description of the new role of the physical fashion store in a digitalised retailscape, we further discuss its place in the customer journey, the shifting location priorities, the importance of reducing stress and hassle, in-store mobile technology implementation, and the potential impact of COVID-19.

Keywords: Retail; Digitalization; Fashion; Clothing; Omnichannel; Showrooming/ Webrooming; COVID-19; Hedonic/Utilitarian needs; Store layout/atmospherics; Retail Mix

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1. Introduction

The emergence of e-commerce: the death of the brick-and-mortar store?

In the past two decades, the rapid emergence of e-commerce has increasingly become a threat to established brick-and-mortar retailing. Entire physical retail sectors like DVDs, CDs or books have declined which has led to the bankruptcy of notorious retailers like Blockbusters and innumerable independent stores. Walmart, previously unmatched in price and assortment variety, has been challenged by online retailer Amazon, which in turn has become the world's largest e-commerce company.

In the beginning of the 2000's, the spontaneity of the changes and the downfall of brick & mortar bastions could easily give the impression that a large part of physical retailing is dying. Overall, the prevalence of physical stores has undeniably seen a decrease as a result of e-commerce's emergence (Peterson, 2017; Corkery, 2017), and technology is forcing stores to change their practices, adapting to new competitive market structures (Kumar et al., 2017). Gradually, however, established retailers found new strategies to adapt to the changes by opening up their own online-stores and progressively integrating these new sales channels to the old ones (Verhoef et al., 2015). Sometimes, it has even given new wind to physical retail innovation. Omnichannel retailing emerged and spread throughout the retailscape.

An ambiguous future for physical retail sectors

The future of physical sales channels in some sectors, like grocery retailing, seems inherently safe and able to accommodate for online-offline synergies. Other sectors appear to reserve a more bleak future for their physical stores: music; movies; books and electronics are examples of sectors that might be moving toward online channels exclusively.

Overall, for most sectors, it is highly unclear what the new retail mix will look like when the market settles from the digitalization-related changes. Retailers are constantly experimenting with new ways to combine physical and digital retailing, and customers are still trying out different shopping behaviors in the evolving context (see Sun et al., 2020 & Park et al., 2020). Curiously enough, online-born retailers that have led the decline of many physical stores are opening brick-and-mortar locations. Notably, Amazon, the largest online retailer up until this present day, is rapidly opening physical sales channels integrated with their online store, among which dozens of bookstores and grocery stores.[1,2] New formats like showrooms and pop-up stores are constantly tried – to different levels of success – constantly exploring the possible role of a physical store. A notable example is the Samsung 837 store in New York which is an entirely experience-based concept and doesn't sell products on the spot.[3] Thus the online-retailers that have jeopardized entire sectors of established physical retailers are now beginning to *themselves* open physical stores, this time fostering synergies with their online-channels.

> ***"At least 40% of all businesses will die in the next 10 years… if they don't figure out how to change their entire company to accommodate new technologies."***
>
> \- John T. Chambers, Former CEO of Cisco Systems

These digitalization-induced shifts in the cross-channel interrelations are crucial for the future of retailing and their analysis is an important task for retail research. (Neslin et al., 2006; Chen et al., 2018) They raise numerous questions: How far will digitalization go? Are physical stores dying? Will customers grow tired of online retailing? How can a physical retailer adapt its stores to the changes in customer behavior? It seems all of these questions can only be answered on a segment-per-segment basis, since different parts of the retailing industry are impacted by the emergence of omnichannel retailing in vastly different ways and to varying degrees.

Going beneath the surface: the future of fashion retail

Our purpose in this paper is to go beneath the macro market trends caused by digitalization, and focus on their repercussions for one specific segment: fashion retailing. The reason for

[1] *Amazon opens first physical store*. (2015b, November 3). Retail Dive. https://www.retaildive.com/news/amazon-opens-first-physical-store/408515/

[2] *Amazon Physical Stores | Find an Amazon store near you*. (n.d.). Amazon. https://www.amazon.com/b/ref=s9_acss_bw_cg_AMZBOOKS_1a1_w?node=17608448011&pf_rd_m=ATVPDKIKX0DER&pf_rd_s=merchandised-search-1&pf_rd_r=48Q54SCQJVFADJ05ZMVW&pf_rd_t=101&pf_rd_p=0e945d50-dbe2-4edc-86ee-0c3f7c6fe175&pf_rd_i=13270229011

[3] *Samsung 837 Opens Its Doors in the Heart of NYC Marking the First-of-its-Kind Cultural Destination, Digital Playground and Marketing Center of Excellence*. (n.d.). Samsung. https://news.samsung.com/global/samsung-837-opens-its-doors-in-the-heart-of-nyc-marking-the-first-of-its-kind-cultural-destination-digital-playground-and-marketing-center-of-excellence

this choice is twofold: on one hand, a choice of focus *needs* to be made in order to have remotely relevant findings, because of the complexity and heterogeneity of the studied changes. On the other hand, fashion retailing is a large market segment we believe to have a particularly ambiguous future: it is both a sector strongly transformed by digitalisation (see next heading: *Fashion: a "melting pot" of retail trends*), while inherently selling a product category that seems particularly prone to be shopped in store[4].

Thus, it is unclear what the fashion shoppers' customer journey will look like when "the dust has settled" and consumers have grown used to the new omnichannel context: what will the role of the brick-and-mortar store be? What store formats and concepts will thrive with digitalization? What strategies or prioritizations can make a store better adapted to an increasingly online environment?

This ambiguity, combined with the speed of the changes in offering from retailers and in behavior from shoppers, makes fashion retail a particularly important research field, as well as fertile ground for nuanced findings.

Fashion: a "melting pot" of retail trends

The trends observed for retailing overall can all be observed in different forms and to different extents in fashion retail: many apparel retailers have declared bankruptcy (e.g. Brooks Brothers, Payless Shoes, Delia's)[5], outcompeted by online retailers; while others have successfully integrated themselves into the new landscape (e.g. H&M and Nike). Offline-born giants are moving into e-commerce (e.g. Zara, Nordstroms) while online-born newcomers are opening brick-and-mortar stores (Axel Arigato[6], NA-KD[7], and Happy Socks[8] are three examples from Sweden alone.). New store formats are opening up with concepts seeking to merge the physical with the digital. Some appeal to hedonic experiences or customization while others seek to outcompete the market in convenience, price or delivery

[4] Indeed, the fit and quality of the garments are particularly difficult to estimate online; it is appealing to hedonic needs that are better fulfilled in an immersive store experience; and fashion shopping is partly a social behavior and pass-time for many shoppers.

[5] The Fashion Law. (2021, April 7). *Retail Woes: A Running List of Fashion & Retail Bankruptcies*. https://www.thefashionlaw.com/retail-woes-a-bankruptcy-timeline/

[6] Hounslea, T. (2020, June 7). *Axel Arigato to open first store.* Drapers. https://www.drapersonline.com/news/axel-arigato-to-open-first-store

[7] Zha, W. (2021, March 9). A visit to the first store of influencer-driven online retailer NA-KD. FashionUnited. https://fashionunited.uk/news/retail/a-visit-to-the-first-store-of-influencer-driven-online-retailer-na-kd/2018091738954

[8] Dunne, L. (2019, December 6). Happy Socks: Spreading happiness, one colourful sock at a time. Scan Magazine. https://scanmagazine.co.uk/happy-socks/

speed. Overall, the heterogenous shifts require analysis and discussion to find the order beneath the apparent turmoil and to distinguish the lasting changes from the temporary trends.

COVID-19: an unexpected market perturbation

A recent factor further adds to the complexity of the fashion retail's omnichannel future: the COVID-19 pandemic. The pandemic, and governments' response to it, led to radical changes in apparel retailing. These changes are likely to be of two types. On one hand, temporary changes that likely won't have long-term overall effects, but the short term revenue loss might put a strain on innovation (due to reduced R&D budgets) and put an end to struggling retailers. On the other hand, long-term changes that were already ongoing but were accelerated by the pandemic. It is yet unclear which changes will fall within which category, but the situation also gives unique opportunities to gain key insights into customer behavior and retailer flexibility. We sought to capitalize on this and incorporate the COVID-19 crisis into our study of the long-term development of fashion retailing. It will however be treated as a factor among many others, to ensure the lasting relevance of our findings.

The purpose and contribution of our research

The topic of the physical store's role in omnichannel retailing has been explored before. We do not intend to explore a totally new field of study, but rather to contribute to the need for deeper insights into omnichannel retailing that can only be gained by focusing on specific industries. Our study is fundamentally qualitative in scope and centered around the customer's new behaviors and preferences that are shaping the future fashion shopper journey. We adopt a holistic approach, interrelating different aspects to get an accurate overview, rather than focusing on any single element independently. Only by understanding how the customer perceives, seeks, and uses the evolving sales channels can we get insights into the long-term role of the physical store in a digitalized omnichannel retailscape.

We aim our findings to be universally applicable, to different extents, but our samples are mainly acquired from Sweden because of convenience and since a homogenous market may yield more precise findings.

Research questions

To study the core topic of this paper, i.e. the role of the physical fashion store in a digitalized retailscape, two main research questions can be formulated to guide our research and discussion:

1. **To what extent will the physical fashion store remain relevant for shoppers in an increasingly digitalised retail context?**
2. **How is omnichannel retailing shifting the role of the physical fashion store for shoppers?**

These questions can be looked at as two stages of our discussion: first, ***if*** the physical store will keep an important role, and then, ***what*** that role will be. The questions are centered on the shoppers/the consumers, since ultimately their behavior in the new digitalised context is determining the future of the market.

2. Literature review

Here, an academic context is provided to our research, with key findings from articles related to our field of study. First, we present research on the broad role of physical retailing in an omnichannel context, setting the stage for our own research on the topic. Secondly, we highlight relevant findings on customer and physical store experience, which are closely related to the role of the brick-and-mortar store. Finally, we convey a brief overview on the current state of fashion retailing online and offline.

2.1. The physical store within omnichannel retailing

Since the emergence of digitalized sales channels and online retailing, companies have moved from only selling from one channel (single-channel retailing) to being present both in online and physical stores (multi-channel), to integrating all channels, moving toward a seamless experience across online and offline channels (cross-channel, and omnichannel retailing) (Verhoef et al, 2015). The concept of the future of the physical store in this context is something that has been touched on before in other research articles. Notably, in the article "Store of the future: Towards a (re)invention and (re)imagination of physical store space in an omnichannel context", the authors Alexander and Blazquez Cano (2020) study this subject in-depth based on the results of qualitative interviews with 20 industry experts. The authors' findings indicate that the physical store remains highly relevant in the omnichannel context, but highlights five key shifts in its role. They explain that the shift to omnichannel (and the underlying digitalization) have made the physical store particularly relevant as a "brand storyteller", as a "social and cultural experience provider", as a "sensorial giver" (i.e. it engages the senses), as a "community center", and as a "human connector". Thus, with the emergence of digitized online sales channels, the brick-and-mortar stores' inherent physicality, immersiveness, and social aspect suddenly become differentiating factors and give the offline store a new role. The authors expect the physical store to gain in importance as a unique immersive point of contact between customer and brand. However, they stress that the physical retailing is likely to shift to smaller store sizes, in part because this would create stronger customer relationships. This perspective from a select number of industry experts is valuable but lacks the consumer perspective - in fact, the authors state that "in future research, incorporating a consumer perspective to determine consistency between expected experience requirements and actual would prove an interesting extension" (Alexander & Blazquez Cano, 2020). This validates the value of our mainly consumer-centered qualitative research approach.

Van Heerde et al. suggest that in an omnichannel context, a mobile app can have a great value and an important role in the physical store's integration to other channels (Van Heerde et al., 2019). They show that for "offline-only" customers, the app can serve as a tool complementing the "physical engagement", for example by offering convenient information or access to reviews on the products viewed in store. Bellman et al. (2011) concordantly show that branded app use creates a high level of engagement.

Brynjolfsson et al. (2013) explore strategies for retailers to succeed in an omnichannel context by studying one dataset from a medium-sized US womens' fashion retailer, containing transaction details from the retailer. Overall, one can say that Brynjolfsson et al.'s strategies are built around, on one hand, adopting an integrated omnichannel business model, and on the other hand, fostering inherent advantages to online/offline retailing. Offline retailers are for instance to focus on service, information and the convenience of being able to instantly visit a physical store. Additionally, the authors note that "instant gratification" can help physical retailers to remain competitive, since it gives the customer an advantage to buy the products in-store rather than online. Service and information are also stated to be important offline. By contrast, online retailers are to focus on price, efficiency, niche products; to enhance convenience; and to enable easy showrooming behavior.

2.2. Customer experience and physical store experience

The rise of omnichannel retailing has made the customer experience into a key source of differentiation and the "main source of retailers' competitive advantage" (Pei et al., 2020). Their study concludes that different shopping situations can have varying effects on customer experience with different aspects of a retailer such as the shopping environment and product experience.

Furthermore, Verhoef et al (2009) mention that overall customer experience can be described as "holistic in nature" involving multiple behavioral responses (e.g. cognitive and sensorial) to a specific retailer or brand. Lemon and Verhoef (2016) also mention that these behavioral responses come as a result of touchpoints along different parts of the customer shopping experience such as for example pre- or post- purchase.

Of particular relevance to our present subject, Blàzquez (2014) explains that "the difficulty of translating the in-store experience to the online environment" is one of the main factors that has slowed down fashion retailing's move toward online channels. New technologies like augmented reality and 3D virtual models are promising ways to enhance the online customer experience for shoppers.[9]

Atmospherics, referring to the tangible or intangible store design elements, are an important factor in customer experience (Puccinelli et al., 2009). It has a direct effect on the customers' pleasure arousal, willingness to buy, and time spent in store (see Baker, Levy, and Grewal 1992; Mehrabian and Russell, 1974).

Furthermore, Albrecht et al. (2017) show that stress can be an aspect of the customer experience with a large impact on sales, as they find it increases purchase abandonment, especially for "task-oriented" shoppers.

Finally, Alexander and Blazquez Cano (2020) emphasize the new importance store experience has gotten as a consequence of the emergence of omnichannel shopping: the

[9] Berthiaume, D. (2021, May 13). *Walmart adds virtual fitting room amid growing fashion push.* Chain Store Age. https://chainstoreage.com/walmart-adds-virtual-fitting-room-amid-growing-fashion-push

palpable, sensorial and social experience the physical store provides is an increasingly valuable customer-brand touchpoint.

2.3. The current state of fashion retailing online and offline

Physical stores remain the main touchpoint and channel for clothing retail: the share of physical store sales for apparel are for instance 77.2% in France, 79.6% in the US, 82.9% in Germany and 95.5% in Italy; in 2019 according to Statista (2020). However, e-commerce is rapidly increasing in market share, and the average time spent in store has declined (see Alice, 2007).

When examining the relation between online and offline retailing, Blazquez mentions some main barriers towards online purchases. Specifically Blazquez states that the lack of physical interaction as well as “experiential information” act as the main barriers that hinder people from choosing online mediums as the main purchase channel. This is attributed to the fact that it reduces overall consumer enjoyment as well as a greater perception of risk. Finally it is important to mention however that Blazquez argues that further innovations in digital technologies can in the future be used in order to imitate the “multisensory input” commonly found within offline stores. Already several steps have been made in terms of two main senses (*sound* and *sight*), however in fashion retailing, *senses* still represent an important barrier that still needs to be resolved.

3. Theoretical framework

3.1. Defining digitalization, multi-channel and omnichannel trends

This section begins with a discussion over the topics of Digitalization, Multi-channel and Omnichannel Retailing, its definitions as well as the overall importance in today’s modern retailscape.

Digitalization is defined by Legner et al. (2017) as “the manifold sociotechnical phenomena and processes of adopting and using these technologies in broader individual, organizational, and societal contexts". In the context of retailing, digitalization is therefore the shifts in business models and customer behavior that result from the implementation of digital technology to provide additional mediums of customer-brand interaction. (Sun et al., 2020)

Multi-channel retailing represents a form of retailing where the retailer has established more than one sales channel. (Friedman & Furey, 1999). Cross-channel retailing is a multichannel retailer that has begun to integrate its sales channels enabling a customer journey across multiple channels.

Omnichannel retailing: A term first introduced by Rigby (2011), Omnichannel Retailing is the complete seamless integration of a retailer's sales channels and touchpoints to offer the customer an experience fostering the synergies between online and offline channels. (see Klosek, 2012; Frazer & Stiehler, 2014; Rigby, 2011).

3.2. Customer journey

The customer journey is crucial for analysing and discussing customer behavior and different parts of omnichannel retailing. Lemon and Verhoef (2016) review the literature on customer experience modelling. The core of the customer journey they outline is constituted of three broad categories: pre-purchase stage, purchase stage, and post-purchase stage. Additionally, they note that previous customer experiences and future customer experiences can be viewed as part of the full customer journey, since past memories affect current behaviors and attitudes; and current experiences affect future behavior and attitudes. Hereunder we summarize the different stages of the customer journey, as described in *Retailing Management* by Levy, Weitz and Grewal (Levy et al., 2018).

Need recognition

Need recognition is the first stage of the customer journey and acts as the initial trigger for the customer to engage in the overall buying process. This stage is entered upon the realization of an "unsatisfied need" and the desire of the customer to satisfy it.

Information search & division of information

In the *information search* stage of the customer journey, customers have recognized a need and search for information regarding the relevant channels, retailers and products that can satisfy this potential need. *Retailing Management* also does a further classification on the sources of information the customers use during the duration of their shopping journey, dividing it into two different categories; “internal sources” and “external sources” (Levy et al., 2018). *Internal sources* include information that can be found in a customer’s memory having interacted with a retailer in a previous instance and has a recollection, either positive or negative, of them. On the other hand, *external sources* include sources of information like search engines or by asking other individuals who have previously used a product or service, and have interacted with a retailer.

Evaluation of alternatives

The third aspect of the customer journey is *evaluation of alternatives*, choosing which product to purchase.

Purchasing the merchandise or service

In this part of the customer journey, the customers purchase the product they have chosen in the previous stage on one of the available purchase channels of the chosen retailer. For online purchases, an additional stage or sub-stage can be the receiving of the products (pick up in store, home delivery, etc.).

Post-purchase evaluation

In the final part of the customer journey, the customer engages in a *post-purchase evaluation*. After receiving the product and using it, the customer evaluates the overall experience that was acquired from the interactions with the retailer and/or the product, and compares it to his or her expectations. In future similar purchase considerations this information is then used as an *internal source* to be brought up and utilized.

Adaptations

For our study, we have adapted the customer journey from Levy et al. by grouping the *information search* and *evaluation of alternatives* stages into a single *comparing alternatives* stage, since we realized during the qualitative interviews that these stages are largely intertwined for fashion shopping. We also added a *delivery* stage to be able to gather findings on whether online customers tend to pick up orders in store, or whether offline customers tend to want to get the physical purchases delivered home. Finally, we changed the post-purchase evaluation stage with *reviewing*, since leaving a review is a more concrete action (and, for our purposes, more relevant) than mere personal evaluation.

3.3. Definitions of the terms *showrooming* and *webrooming*

Jing (2018) expands on the concepts of *showrooming* and *webrooming,* two behaviors that have emerged with digitalization and omnichannel retailing. *Showrooming* refers to the behavior of viewing a product in store to acquire information and purchasing it online. Jing notes that the retailer serves as a showroom but fails to capture the sales, which go to online competitors. This, Jing notes, poses a particular threat to physical retailers for, among other goods, "appliances, books, clothes, digital devices, furniture, shoes, toys". Referring to a Wall Street Journal article by Zimmerman (2012), Jing notes that showrooming is a major challenge for "traditional retailers such as Walmart, Best Buy, Macy's, Target, and Toys 'R' Us".

Webrooming refers to the behavior of researching a product online and purchasing it offline. Jing notes that by increasing transparency, webrooming "lowers the online retailer's demand and intensifies competition".

Showrooming and webrooming were found by Jing (2018) to increase price competition among competing firms. Lower search costs were found to increase competition while higher search costs can lower competition. Also, it was found that when webrooming fully "reveals match", i.e. when it suffices for the customer to make an informed decision, webrooming mitigates showrooming behavior.

Rosengren, Lange, Hernant and Blom also note in chapter 4 of the book *Managing Digital Transformation* (Andersson et al., 2018) that webrooming and showrooming render the *pre-purchase* stage particularly important in an omnichannel retailscape.

3.4. Hedonic and Utilitarian needs & value

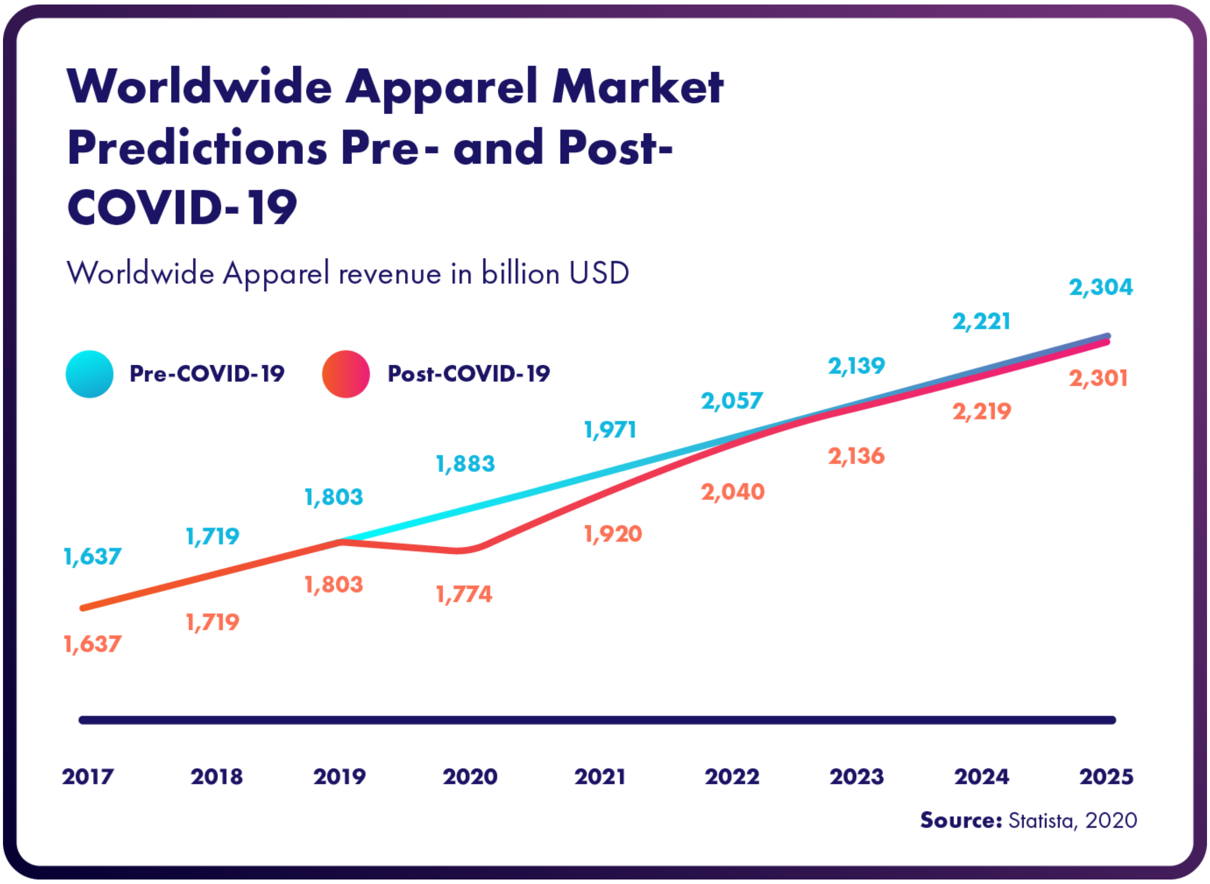
The distinction between hedonic and utilitarian value has had a large impact on the analyses of shopping behavior. Hedonic consumption is defined by Hirschman and Holbrook (1982) as "those facets of consumer behavior that relate to the multisensory, fantasy and emotive aspects of product usage experience". Utilitarian value on the other hand results from the customer's purpose-driven pursuit of a specific goal – which is not necessarily incompatible with hedonic value and both types of value can simultaneously play a role in a shopping experience (Babin et al., 1994). As Babin et al. put it, the consumer in a shopping setting is "both intellectual and emotional".

The driving values for a shopping behavior can depend on the product, the channel used, but also on the customer profile. Teller et al. (2007) for instance found that a majority of mall shoppers were "hedonists", i.e. a shopper type mainly driven by hedonic needs. They found that hedonic shoppers stay longer in stores and visit more stores, but don't necessarily spend more than utilitarians. Clothing in particular is a highly hedonic product category "due to its symbolic, experiential and pleasing properties" (Blazquez, 2014).

3.5. COVID-19 effects on clothing retailing

COVID-19 heavily disrupted retailing. On one hand, lockdowns in many countries hindered physical shopping. On the other hand, remote work lowered the consumer's need for new fashion products. Moreover, worker permutations, company bankruptcies and overall economic downturns have had an effect on many consumers' purchasing power. Statista (2020) reports that the apparel market is expected to see a 6% worldwide decrease in sales as a consequence of the recent COVID-19 pandemic. Stores and manufacturer plants have also shut down because of revenue losses incurred during lockdowns or consumption downturn. As an example, H&M has been reported to close around 250 of their stores as a result of the decreased demand in physical stores.[10] However, these effects aren't expected to be long-term. Revenue is expected to come back to nearly pre-COVID-19 forecasting levels as soon as 2023, depending on the development of the pandemic (Statista Apparel Report 2020, p.12).

[10] Provan, S. (2020, October 1). H&M plans to close 250 stores. Financial Times. https://www.ft.com/content/3df5f267-abe4-480e-a46b-526b9ac0ec57



According to the Swedish Statistics Agency (Statistiska centralbyrån) when examining the growth in retail trade in the second quarter of 2020 compared to the second quarter of 2019, e-commerce was shown to have increased by 32,5%. This is a stark contrast when taking into account the fact that during the second quarter of 2020, Swedish GDP fell by 7,3% compared to the same period the previous year (figures are compiled in Davidson & Svensk Handel, 2020). Thus, the COVID-19 pandemic has strongly boosted Swedish online retail overall, at the expense of physical retailing.

4. Method

4.1. Research design

The core of our method is based on inferring changes in the physical store's role from changes in the customers' shopping behaviors, preferences and attitudes. Guided by our research questions, the method of this study was designed to give deep insights from a broad set of angles. To make assertions about the future prevalence and role of physical stores for fashion shoppers in a digitalized market, one needs to:

- Grasp the shopper's individual needs, preferences, priorities.
- Grasp the overall market trends and changes in macro-level customer behavior.
- Gain insights from fashion retailers' overall strategies and attitudes towards omnichannel retailing and the future of their physical stores.

Thus, three main angles of study were chosen to complement each-other: a qualitative customer study, a quantitative consumer survey, and a qualitative interview with a major international fashion retailer employee.

The qualitative fashion retailer interview acts as a form of a pre-study, that is meant to complement the consumer studies, avoiding omissions or biases by capturing the retailer-side perspective on the future role of physical stores. It can also act as a help guide for other studies by finding relevant points of emphasis and key trends that can be further studied in the quantitative survey.

The qualitative consumer interviews are prone to give deep insights into customer behavior in the customers' own words. These can help interpret the quantitative findings and generate new findings that are less prone to be captured in a survey.

Finally, the quantitative consumer survey is intended to give a broad overview of general customer behavior shifts, preferences and attitudes to aspects of fashion retailing; as well as to test findings suggested in the qualitative interviews.

4.2. A note on terminology

In the entire present paper, we choose to use the terms *fashion*, *apparel*, and *clothing*, interchangeably to make the text lighter to read. The distinctions that can be made between these terms are beyond the scope of this paper, since we are interested in general tendencies for the broad retailing sector for clothes, shoes, and accessories.

We also chose to use the terms *consumer*, *customer*, and *shopper* in their broader definitions interchangeably to avoid excessive repetition, in spite of the differences between those terms. The distinction between those terms is rarely relevant for our analysis, and we mainly use them to refer to actual or potential, past or future, individuals who interact with fashion retailers.

4.3. Pre-study: qualitative fashion retailer interview

An important part of our study was to gather complementary insights from the perspective of a large fashion retailer to avoid the pitfall of excessive consumer-bias and to guide our two main studies. Thus, an interview was conducted with an individual, henceforth referred to as "P", working at one of the largest fast fashion companies worldwide, henceforth named as Company "M". In this stage of our study, we prioritized quality and depth rather than quantity. Only one video conference interview was conducted. However, since the core of our study is centered on consumer behavior and preferences, the company interview was a complementary source of insights to fill any gaps left from the consumer studies and to provide an additional perspective. Thus, it would have been beyond the scope of our study to gather a large number of perspectives from a representative sample of fashion companies.

The questions that were created for the interview aimed to cover a broad spectrum of personal insights and predictions from experience on one hand, as well as the company's experience and strategy on the other hand. We divided our questions in four broad topics:

- Questions about P's experience-based insights into omnichannel retailing and the evolving role of the physical store.
- Questions on the impact of COVID-19 on fashion retailing broadly and physical store customer behavior in particular.
- Questions on the past and present experience of M company in working with omnichannel retailing and physical stores, as well as the company's general attitude and strategy in working with these aspects in the future.
- Questions on the observed customer behavior at the M company.

4.4. Qualitative consumer study

In an attempt to reach a greater level of depth with our consumer thesis insights, individuals were selected to participate in qualitative interviews. We chose to conduct 10 interviews to gather as many interesting perspectives as possible regarding every studied aspect. 10 interviews were found to be sufficient to reach the point of *theoretical saturation* (Strauss & Corbin, 1998), as the last interviews did not contribute with any major new findings. The interviewees were predominantly young adults (20-30 years old) that have experience shopping in a digitalised fashion market. The interviewees were initially asked a profiling question, determining whether they have a generally hedonic or utilitarian leaning when shopping for fashion, since we expected this factor to potentially generate relevant findings in the fashion sector which is highly hedonic (Blazquez, 2014).

The questions were mostly open-ended to allow for unexpected and varying insights, but their core structure was based on the quantitative survey outlined below, so that the qualitative interviews can help us better understand and interpret the quantitative survey results. In the analysis, focus was placed on gathering elaborated, deep insights for each question, to really understand the thought process, the experiences, the preferences, and the behavior of customers, as opposed to simply capturing broader trends gathered by the quantitative study.

4.5. Quantitative customer survey

The quantitative survey attempted to give a holistic overview of customer behavior and insights into all its aspects rather than being aimed at validating or rejecting pre-defined hypotheses.

The survey was conducted through the use of the Qualtrics survey platform. The results were entirely anonymized, but a few potentially relevant profiling questions were asked: age range, gender, employment status, and a question aimed at broadly sorting respondents into “hedonist”-leaning or “utilitarian”-leaning in a fashion shopping context. The sampling was mainly convenience-based (see e.g. Etikan, 2016), but we targeted young respondents in Sweden that are likely to be well acquainted with the digitalized fashion retailscape.

Sliders on a scale of 1 to 10 were used throughout the survey. For instance, in the first question, respondents were asked to rate the frequency of their shopping for apparel online versus in store on a scale from 1 (Once a year or less) to 10 (everyday). The 1-10 scale was chosen, rather than a 1-7 Likert scale (Joshi et al) for instance, for a plethora of reasons. First of all, since a large number of our questions used sliders, using the same scale on all of them makes both answers and subsequent analyses easier. Secondly, some questions involved numbers/frequencies (once a year-everyday) and adding an unintuitive 1-7 scale to that can thus make some questions confusing. Instead, we expected the 1-10 scale to be intuitive and straightforward, which is preferable since we wanted the respondents to put as much focus as possible on the subject matter of each question at hand instead of its phrasing. Lastly, a 1-10 scale was chosen instead of 0-10 so that there is no "middle" answer which could have made it easier for respondents to answer without forethought. When appropriate, checkboxes were used instead of sliders to limit the number of possible responses and to add variation to the survey flow. For instance, respondents were asked the number of fashion retailer apps on their phone, and could choose between 0, 1-2, 3-5, and more than five.

Many questions measured historic behavior. As an example, one question used five sliders to capture to what extent the respondent uses "offline" versus "online" channels in each stage of the customer journey. Indeed, the customer journey was a central guiding framework for our study. Other questions were aimed at gathering data on intentions – e.g. the respondent's intention to shop more online versus more offline in the long term. Some questions measured attitudes – e.g. the respondent's attitude towards fashion retailer mobile apps or existing loyalty programs. Optional free-text questions were added to allow respondents to choose options that were not thought of in the design of other questions, e.g. one question allowed respondents to write "anything else" that they find particularly important when shopping online/offline. Finally, some questions measured the consumers' preferences or priorities when shopping in different channels.

Multiple questions were centered on the shifts in behavior and intentions occurring due to the COVID-19 pandemic, since we believe that this is also an important aspect to capture. We were particularly interested in determining which shifts were short-term and which were long-term. However, these questions are a minority, since COVID-19 is only one aspect among many, in the general long-term evolution of shopping behaviors which are the core of our subject matter. An overview of the quantitative questions that were asked during our study can be found in the Appendix section of the thesis.

5. Pre study: company interview

5.1. Introduction

An in-depth qualitative interview was conducted with an employee who has a rather long experience in innovation and omnichannel work, and who currently works for one of the largest fashion brands in the world. We shall here refer to him as P, from company M. The first aim of the interview was to capture a major fashion retailer's attitude towards digitalisation, omnichannel retailing, and their relation to in-store behavior. Additionally, questions were included on the COVID-19 pandemic, with special focus on its expected short & long-term impact on in-store retailing. Lastly, a large part of the interview was meant to capture informed personal opinions and expectations relating to the future of the physical store, from someone who works with fashion retailing and has unique insights that typically cannot be acquired from consumer studies.

5.2. The state of the company's omnichannel work

When asked about the state of company M's omnichannel strategy, P stated that large, successful efforts have been made, but that the company is still on that "journey". A major issue for a multinational retailer like company M seems to be the difference in customer expectations on different markets. P mentioned the example of the UK and Chinese market, which has a far more mature online shopping market when compared to Sweden for example. Company M therefore needs to adapt to these local differences in expectations, and meet the customers "wherever they can be found" (i.e. on whichever channel customers use). This shows that the development of omnichannel behavior isn't driven only by the potential a retailer has to implement omnichannel solutions, but also by customer expectations and behavior. P's explanation of the company's work with their mobile app points in the same direction: the main purpose of the app is to "meet" the customers where they are, and customers are undeniably on their mobile phones.

5.3. The importance of logistics in the future of omnichannel retailing

P emphasised that logistical improvements are a key factor to future omnichannel improvements in store. “The most impactful technology for retail is last-mile technology.” The alignment of online and offline assortments are a large issue, which also has repercussions to online-shopping delivery options like *pick-up in store*.

Additionally, when asked about the impact of technology on customer purchasing behavior, P didn’t consider AR (Augmented Reality) or VR (Virtual Reality) to be remotely as impactful on long-term customer behavior as logistical improvements. He considered that the improvement of shipping times and costs to remote locations are the most impactful technological evolutions that can lead many more people to adopt omnichannel behavior. This is because at present, many omnichannel services and competitive shipping times are limited to large cities and populated areas. The impact of last-mile delivery technology is thus a very interesting topic for further study, but not within the boundaries of our present scope.

5.4. “Omnichannel customers are better customers”

An interesting insight from the interview was that P and company M don’t seem to consider cannibalisation between retail channels to be a large issue. To quote P, “omnichannel customers are better customers”, i.e. customers who engage in multiple channels purchase more than offline-only customers. Overall, P doesn’t see the emergence of online channels as a move toward online-only retailing, but rather as an opportunity for synergies between channels that can create “better”, more loyal, and more satisfied customers.

5.5. The physical store as a key brand touchpoint

An interesting recurring theme throughout the interview is that company M increasingly sees its physical stores not only as a means to sell products, but as a place of encounter between the customer and the brand. “The store is the only place where you can give a 3D realisation [of the brand] and can use all the senses”. P sees an immense value in the opportunity to “immerse” the customers into the retailer’s world. The physical store is “all about building an emotional connection with the customer”. It’s also a very effective marketing channel:

strategically placed stores are becoming increasingly effective marketing means, especially as media costs are increasing (particularly for social media), while online advertisements are becoming oversaturated and ineffective. A consumer that enters one of company M's stores is immersed in the brand, which has an "insanely high value" compared to other marketing channels. Thus, company M is investing in strong in-store experiences and strategic store locations. The in-store profitability of the store seems to increasingly become second in importance to the value it generates by acting as a point of impactful encounters between customers and the brand. Thus, P doesn't expect the growth of e-commerce channels to greatly reduce the number of stores, but it might shift their locations: he mentions that declining shopping malls and shopping streets are getting less traffic and are becoming less attractive locations for brand-building than other parts of cities.

Overall: P doesn't expect fashion stores to decline in importance, but might shift in focus to enable strong brand encounters and change locations to adapt to shifting physical shopping behaviors like the decline of malls.[11]

5.6. Going beyond the terms *showrooming* and *webrooming*

During our discussion with P, we were able to gain a unique perspective of the terms *showrooming* and *webrooming*. P expressed the opinion that the aforementioned terms are "misunderstood concepts". In fact, in today's omnichannel landscape the entire purchase funnel is a rather complex mix of different interactions and touchpoints (e.g. social media advertisements, influencer videos, online website, physical stores, friends, and word of mouth) making the shopper journey too complex to be that broadly categorized. This suggests the need to transcend the terms *showrooming* and *webrooming*, a point that will be further elaborated in section 8.3.

5.7. Rising trends & the impact of Covid-19

Examining company M's activity surrounding the ongoing Covid-19 pandemic, it's clear that some aspects of their operations have changed suddenly: social distancing, supply chain impacts, forced store closings, new customer service models, limited customer capacity in

[11] See article "More than half of mall-based department stores could close in two years" by Daphne Howland on *Retail Dive*.

stores. Additionally, some already rising trends have been accelerated by COVID-19, increasing the need for company M to adapt to them: online shopping was already on the rise, but COVID-19 forced many customers to adopt online behaviors, while company M has had to increase its logistical capacity for efficient e-commerce deliveries in addition to transitioning to a fully online workplace for most of their employees.

P believed that COVID-19 *will* in fact increase the use of online fashion sales channels long-term, since customers are trying these channels now more than ever before, and those who enjoy them are likely to keep using them. However, P did also believe that post-pandemic the online-offline sales distribution will somewhat return closer to what they were prior to the sudden turn to online retail prompted by the pandemic.

Thus, though part of the COVID-19 pandemic's impact on fashion retailing is temporary, some trends seem to be "here to stay", and are accelerating the shift towards a new retail reality.

6. Results: Consumer interviews

Ten in-depth qualitative interviews were conducted with consumers. The questions were about their past, present, and expected future apparel shopping behavior, with emphasis on the role of the physical store for their customer experience and within their shopper journey. In our analysis, we focus on understanding the individual customer and finding key behavioral or attitude-based tendencies, without focusing on numerical comparison which is more appropriate for our quantitative study's analysis. Hereunder are descriptions of the relevant takeaways from the interviews.

6.1. The effects of the emergence of e-commerce on physical store use

We asked our respondents to talk about how the emergence of online shopping has affected the frequency of their physical store visits.

More than half stated that online shopping hasn't affected or has actually increased their in-store visits. One respondent who stated that he always makes a purchase in physical stores, said that the development of e-commerce has made him engage in webrooming more, visiting the online stores to get information and inspiration. For this respondent, the in-store experience of trying on and feeling the garments was crucial and couldn't be replaced simply by exhibiting photos, videos and size guides. Another respondent reported that the emergence of e-commerce initially made him shop more online, but that he got disappointed so often by the fit or the quality that he reverted back to traditional brick and mortar stores. Overall, the respondents who still go in stores as often as before the emergence of online retail tended to report that they only use online channels as a complement to offline retailing, often making them spend less time in stores on each visit.

A little less than half of the respondents stated that the development of e-commerce has made them visit physical stores less often. Most of the respondents in this group stated that they didn't shop often in physical stores in the first place. One respondent described that they went less to physical stores, but didn't replace it with online store visits. On the contrary, three respondents stated that the main reason for replacing physical store visits with online shopping was the convenience aspect: they do not enjoy the effort and stress of visiting physical stores, interacting with employees, and the stressful ambiance of crowded stores. One respondent however simply preferred the availability of niche assortments online and the ability to filter and search for specific fashion items faster than in a physical store.

6.2. Channel use throughout the customer journey

An interesting finding is the rareness of a clear-cut "showrooming" or "webrooming" customer journey. Most respondents described a very mixed customer journey with no definite role for either online or offline channels. For instance, one respondent reported that her inspiration (the *need recognition* stage of the customer journey) comes either from friends (a term that is also referred to as Word of mouth (WOM)), social media (either advertising or influencers), in-store browsing, or "anywhere" with no particular order. Her *evaluation of alternatives* stage usually starts online, but she reported that she still often compared the final "contenders" in physical stores. She places a high importance on seeing the quality and fit in-store, but special circumstances (e.g. online sales) can drive her to purchase items like shoes online. Most other respondents also struggled to define any principle to their channel choice in their customer journeys.

Other respondents had definite channels for one part of their customer journey, but not for other stages. One such respondent stated that his *need recognition* occurs online, but that the rest of his customer journey depends on the brand and it's availability on different channels.

The aforementioned findings suggest that the "showrooming" and "webrooming" concepts need to be transcended in order to thoroughly understand individual customers' complex actual behaviors across channels.

6.3. "Online" versus "Offline" products

In this segment, the interviewees were asked whether there are any particular types of products or product categories that they tend to shop for online only or offline only. They also discussed how they choose on which channel to shop for a product.

A first tendency that stood out from the answers was that many of our respondents are more prone to shop online for basics and products where size and fit are relatively unimportant. Examples that were frequently mentioned include socks and t-shirts. A respondent also mentions sports clothes, which are often elastic or meant to be loose, making it easy to find a comfortable size. Bags and one-size-fits-all accessories were also mentioned as examples of this. Another respondent summed up this principle and said that he buys a garment online when he knows he can "get it right". On the other hand, products where an exact fit is important and hard to predict tend to be shopped for offline (e.g. shoes). For instance, one particular respondent only buys jeans offline because he rarely finds a good fit, while he often buys tops online since he experiences he can easily choose the right size for tops.

The second tendency was that the respondents tend to buy really high involvement fashion products in physical stores, and are more prone to buy low-involvement products online. For example, one interviewee reported that they only buy "unimportant" products online, while he always goes to a physical store for expensive and/or important products. Three respondents mentioned suits to be garments they would only consider buying in a physical store, since suits can be considered as both high involvement and hard to find the right fit for without trying them on.

6.4. Perceived advantages unique to online fashion retail channels

When asked about the advantages of online fashion shopping and relative disadvantages with offline shopping, the most recurrent answer was the ability to filter or search for products easily.

Another common answer was convenience. Online shopping allows the customer to shop for garments “without leaving the room”. Some respondents reported they don’t have enough free time to spend it on physical shopping. A respondent also mentioned how much effort it takes to browse multiple physical stores in the city, compared to browsing multiple e-commerce websites. Also, many respondents find physical stores to be “stressful” and exhausting because of store music, large crowds, interactions with employees, changing room queues etc.

6.5. Perceived advantages unique to offline fashion retail channels

The ability to see a product in person, feel it, and try it on, was found by many respondents to be a very important advantage inherent to fashion shopping in physical stores. While a few respondents were only concerned about choosing the right size and can imagine online tools to facilitate this, many respondents expressed that actually feeling the product and trying it on physically cannot be replaced by size guides or augmented reality. A concrete example that illustrates why touching a product can be crucial was when one respondent experienced that the material of many night gowns can be “itchy”. Another respondent placed high value on fabric quality and insisted on feeling it in person. Throughout our interviews it became apparent that garment quality and texture can act as an important “deal breaker” between the customer and the ultimate decision on whether or not to purchase a product.

Throughout the interview, multiple respondents stressed the importance of the social aspect of shopping and the experience of “going out” to a store with friends or family. They also consider it as a way to get away from the computer screen, a rather common aspect of modern life. This is another inherent advantage to physical stores that cannot be entirely replaced by online alternatives.

Moreover, some respondents perceive the online shopping experience to be too overwhelming because of the large assortment. These respondents enjoy the curation in many physical stores, where the assortment is limited but well selected.

6.6. Customers' priorities online versus in store

Most respondents reported that they put greater importance on finding the lowest possible price when shopping for fashion online compared to when in the store. One respondent commented that he is more impulsive in the store, while another reported to be more prone to "fall in love" with a garment when seeing it in person than online. Product information availability and convenience were also recurring aspects that respondents reported to prioritize more online than offline.

In stores, multiple respondents stressed the importance of the experience. One of our respondents mentioned that when shopping for a luxury apparel product, one of the main reasons she goes to the store is for the experience. Another respondent said that in stores she prioritizes "having fun" and getting inspired while online the experience is less important than convenience. Yet another noted that he researches products thoroughly online, but that in-store the experience and emotions are more important for a decision.

These findings may suggest that customers seek to fulfill more utilitarian needs when shopping for fashion online than in store. In fact, all but two of the respondents reported to some extent that utilitarian needs like price, convenience or information are more important online than in stores. However, further research is needed to validate or refute this.

6.7. "The perfect store"

The respondents were asked to describe what the "perfect" physical fashion store would look like for them. This question was meant to capture additional aspects that are important for the respondents in physical stores, and to see what roles the brick-and-mortar store fulfills for customers that have grown used to a highly digitalized omnichannel market. The main recurring elements that respondents described to be part of their "perfect store" were:

- Store aesthetics: dimmed lighting, calm and soft music, carpets.
- Convenient, large, clean and plentiful changing rooms. In fact, most of our respondents expressed that changing rooms are a crucial part of the physical store.

- Inspiration: complementary products, mannequins with outfits, inspirational shelves/racks.
- Quality for the assortment. Some customers sought a broad and well organised assortment. Others sought for a more niche assortment: one particular respondent stressed how important assortment curation is for his “perfect store”. In fact, he finds that a small but curated assortment has the advantage of reducing the time spent evaluating garment quality or browsing for compatible styles – instead, the customer trusts the store’s quality standards and style curation. This, he says, is also an advantage that is lacking from online stores as compared to niche physical stores.

6.8. Innovative store elements

We asked interviewees about which innovative elements they would like to see more or less of in physical fashion stores. The most common and appreciated feature mentioned among the respondents were lounge areas, especially close to the changing room. Respondents were split between those who appreciate in-store cafés and those who strongly dislike them, but one respondent clarified that he dislikes when the café attracts people only in itself, while he wanted to see coffee or snacks to be integrated more smoothly into the store experience around lounge areas, and many other respondents seemed to imply this distinction. Thus the responses imply the optimal store experience would involve organically integrated lounge areas with snacks and coffee available to take a break from the shopping.

Other interesting, though less common, suggestions include a bookshop, artwork in the store decoration, and one respondent expressed that he really enjoyed being presented with the option to purchase elements of the fashion store decoration like posters, plants or other decoration objects.

6.9. COVID-19 Effects

All respondents reported that COVID-19 hasn’t had a large overall impact on their fashion shopping behavior, except that many of the respondents shopped less for fashion overall. Our qualitative interview findings can’t support either a significant decrease or increase in long term online or in-store fashion retailing.

7. Results: Quantitative consumer survey

7.1. Introduction and general demographics

The quantitative survey was meant to capture past, present, and intended future customer behavior and customer preferences on the apparel retailing market, with particular focus on the role of the physical store in the respondent's shopper journey and customer experience. The survey generated 114 responses, of which 89 were complete and 87 had valid answers on the control question. Gender distribution was 51% female, 47% male, and 2% other. We consider P-values below 0.05 to be significant, though we sometimes (explicitly) comment on insignificant results.

The age range of the respondents was 18 to 70 years old, but the sample predominantly consisted of people aged between the ages of 18 to 30. An advantage of the relatively young sample group is that the respondents are more likely to have spent a large part of their lives with modern digital technology, thus being more familiar with most omnichannel touchpoints, which in turn favors our analysis of respondents' channel preferences and behaviors – online and offline.

The question aimed at separating hedonic-leaning from utilitarian-leaning fashion shoppers was effective at producing an even distribution: 54% of respondents identified best with the "hedonic" statement while 46% found the "utilitarian" statement to best describe their general fashion shopping attitude.

Through our results, another segmentation was considered to be relevant. On a question asking how frequently the respondent uses more than one channel when shopping for an apparel item, on a scale of 1 to 10, 55% chose values between 1 and 5 while the remaining 45% chose values between 6 and 10. We thus split the sample into two groups based on the frequency of engagement in omnichannel (or multichannel) behavior. Thus we formed an "omnichannel shopper" and a "non-omnichannel shopper" group, designating shoppers who frequently use multiple channels in their shopper journey on one hand and customers who seldom use more than one channel per shopping occasion.

Both the *hedonic/utilitarian* and the *omnichannel shopper* segmentation were used for mean comparisons when relevant, and both produced significant results as will be shown further in the following sections.

The open-ended character of the survey implied a vast number of possible tests and analyses – therefore, we guided our analysis by findings from the qualitative interviews and the structure of the questionnaire. Hereunder, we present the main significant results from our analyses, organized thematically.

7.2. "Omnichannel customers are better customers"

A comparison of the mean (μ) historic online shopping frequency and mean historic in-store shopping frequency between *omnichannel shoppers* and *non-omnichannel shoppers* showed that customers who frequently use more than one channel per shopping occasion tend to shop more both online and offline. (Note the distinction between the "omnichannel"/"non-omnichannel" classification, measuring extent of use of multiple channels *simultaneously* at any particular shopping occasion; and the online/offline shopping frequencies, that measure how often the purchase is made in store versus online). Indeed, *omnichannel shoppers* reported a mean online shopping frequency of 4,59 and a mean offline shopping frequency of 4,9, compared to 3,29 and 3,98 respectively for *non-omnichannel* customers; at a significance of 98%.

Moreover, our results reveal there is a 35,7% positive correlation between reported online apparel shopping frequency and in-store apparel shopping frequency at a 99% significance level. Hence, customers frequently using online sales channels to shop for fashion are *more* likely to also frequently use offline sales channels.

Thus, omnichannel behavior and online shopping frequency don't seem to draw away apparel sales from physical sales channels in favor of online sales channels. Instead, results suggest "omnichannel customers are better overall customers".

7.3. Hedonic shoppers shop more both online and offline, and are more prone to omnichannel behavior

The results reveal that customers who have hedonic-leaning overall needs when shopping for fashion are more prone to have a higher reported online *and* offline shopping frequencies:

4,43 and 5,06 respectively; as compared to 3,23 and 3,6 respectively for utilitarian customers (on a 1-10 scale). The significance level was 99%.

However, it should be noted that there was found to be a 23% positive correlation between membership in the *hedonic*-leaning group and membership in the *omnichannel customer* group at a significance level of 95%. This can explain a part of the latter findings, in light of the findings in section 7.2. However, this is also an interesting finding in itself, since it suggests hedonic-leaning customers are more prone to use multiple channels at the same time when shopping in comparison to utilitarian-leaning customers.

A mean-comparison reveals that hedonic-leaning customers on average reported that the frequency of their omnichannel shopping was 5,68 on a scale of 1 to 10, as compared to 4,33 for utilitarian-leaning customers, with a significance level of 95%.

7.4. Online- versus offline-leaning customer journey stages

Respondents rated how often each stage of their apparel shopping customer journey had taken place through online versus offline channels on a scale from 1 to 10. The "delivery" stage mainly measures how often the item was received at a physical store (either when bought there or when ordered online for pick-up in store), versus by delivery (here falling under the "online" label). The mean results are presented in the figure below.

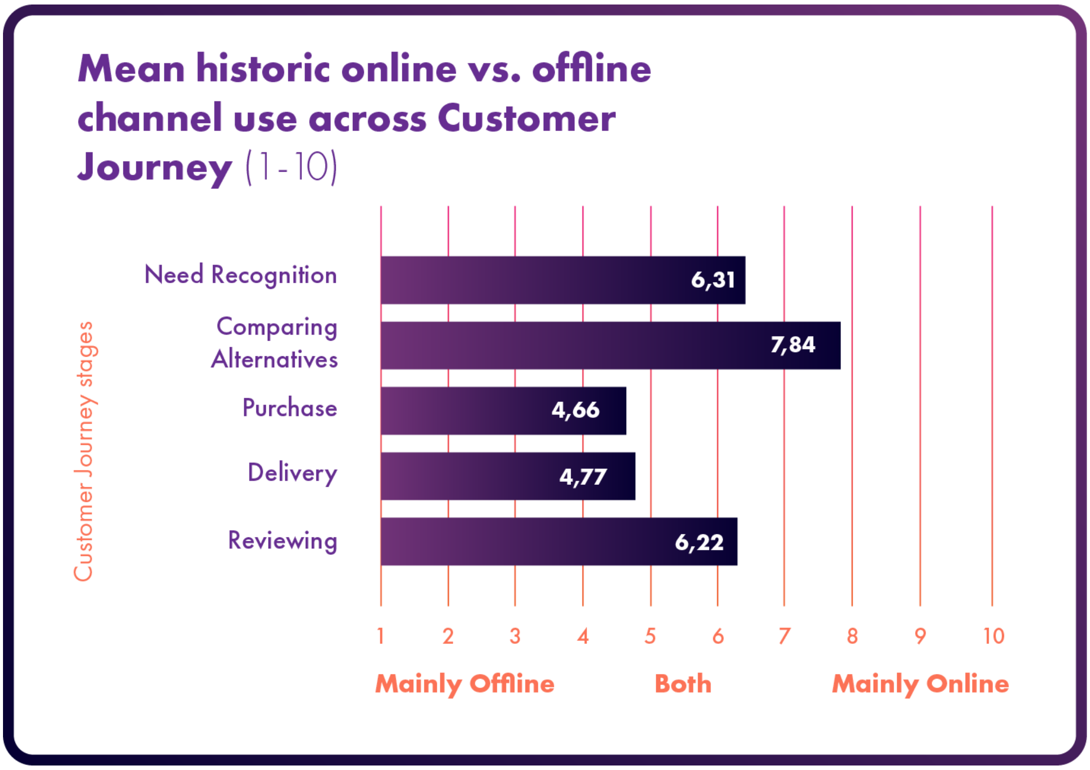


Figure 1: Mean results of the reported historic online vs offline channel use throughout the different stages of the customer journey (scale 1-10).

An interesting finding here is that the "comparing alternatives" in the customer journey stages is most likely to take place on online channels for apparel shopping, with a mean of 7,84 on the 1-10/offline-online scale. The *purchase* (and *delivery/retrieval*) stages on the other hand are the most prone to take place in a physical store, with a mean of 4,66 (and 4,77 respectively). *Need recognition* and *reviewing* also take place online more often than offline, with means of 6,31 and 6,22 respectively.

This journey mapping suggests fashion shoppers are more prone to webrooming behavior than showrooming behavior, since the *pre-purchase* stages more often take place online while the *purchase* stage is more likely to take place in the physical store.

7.5. Channel use according to apparel categories

Respondents were asked to rate how often they have purchased products in distinct product categories on online versus offline channels during the past 5 years, on a scale ranging from 1 (offline) to 10 (online). This allowed us to see how prone each product category is to be bought online versus offline. The findings may have implications for the assortment selection and organization of physical stores in the future. The results are presented in the figure below.

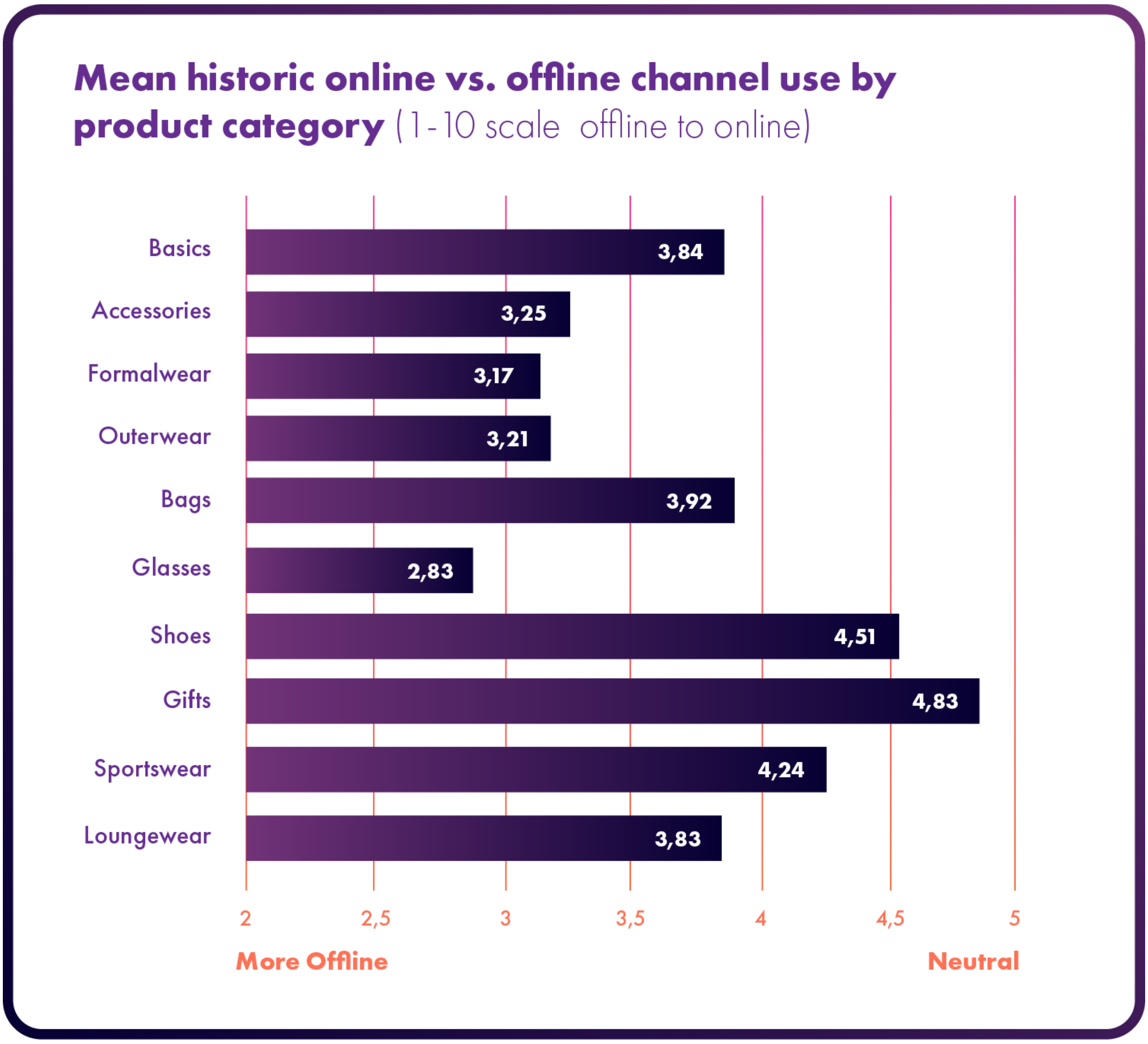


Figure 2: ***Mean results of the reported historic online vs offline channel use frequencies, across apparel product categories (scale 1-10).***

All the mean reported historic channel use frequencies were found to be below 5,5 (the middle of the scale), which reflects that there is no category which customers are overall more prone to have bought online than offline in the past 5 years. However, there are large differences in the mean channel use between categories.

Results suggest that the categories that are most prone to be bought online are (apparel) *gifts, shoes,* and *sportswear*, with means of 4,83; 4,51 and 4,24 respectively. On the other hand, apparel categories that were most prone to be purchased in-store are *glasses*, *formalwear*, *outerwear* and *accessories*, with respective means of 2,83; 3,17; 3,21, and 3,25. Finally, the *bags, basics*, and *loungewear* categories were in the relative middle, with means of 3,92, 3,84, and 3,83.

7.6. Attribute importance online versus in store

7.6.1. Overall online versus in-store feature importance comparisons

A set of questions intended to measure the respondent's preferences and priorities, as well as the most important attributes for them, when shopping in physical clothing stores as compared to shopping online. These can give insights into what attributes physical stores should focus on, contrasted by those that are more important for online stores, in an age of omnichannel shopping. Attributes were listed and sliders enabled a rating from 1 (very unimportant) to 10 (very important) for online stores and for physical stores. We used paired-samples t-tests to determine the significance level of online versus in-store mean differences. The results are presented in Figure 3 (insignificant p-values are highlighted in grey).

Attribute	Online Importance	In-store importance	In-store versus online mean difference	Mean Difference P-value
Service	4,72	7,07	+2,35	.000
Personalization	6,08	5,16	-0,92	.001
Inspiration/suggestions	6,36	6,21	-0,15	.550
Aesthetics	7,16	7,43	+0,27	.340
Choice	7,87	7,01	-0,86	.002
Price	8,56	7,74	-0,82	.000
Information availability	8,66	6,1	-2,56	0.000
Convenience	8,76	7,49	-1,27	0.000

Figure 3: Mean importance rating for attributes online versus offline.

By comparing the mean importance of each attribute online versus in-store, we find that *service* is a considerably more important factor in brick-and-mortar retailing than online, with a mean importance rating of 7,07/10 compared to 4,72/10 for online stores (P=.000). The attribute that had the largest difference in online versus offline perceived importance was *information availability*, which was found to be far more important in online e-commerce settings than in a brick-and-mortar store (8,66 compared to 6,1, P=.000).

Disregarding online-offline mean differences, *price, convenience,* and *aesthetics* were the most important aspects for a physical store, with mean perceived importances of 7,74; 7,49; and 7,43 respectively. *Convenience* and *price were* also the two most important factors online (8,76; 8,56), but the third most important online store aspect was *information availability* (8,66).

The least important factors for physical retailing were *personalization* (5,16), *information availability* (6,1), and *inspiration* (6,21). For online retailing, the least important factor by far was *service*, receiving an average rating of only 4,72/10.

Respondents were able to type any other particularly important attribute, in case it was not captured by our suggested responses or in case a more specific attribute is of particular relevance. For physical stores, out of 28 who chose to type an answer, 6 respondents (21%) mentioned the importance of dressing rooms and the ability to "try my choices". 4 (14%) mentioned the importance of the location of the store. 6 respondents (21%) stressed the importance of details in the store atmosphere, like temperature, lightning, scent, or music. Finally, 4 respondents (14%) commented on the importance for stores to limit stress, hassle, unsolicited staff approaches, and overcrowdedness.

For online fashion retailing, 13 people chose to type in attributes particularly important to them. 7 respondents (54%) stressed factors relating to information availability and trustworthiness, like "indications about fit" or "information trustworthiness". Other responses varied too greatly for us to be able to draw out generalized inferences.

7.6.2. Hedonic vs. utilitarian breakdown of feature significance differences

To see whether both utilitarian-leaning and hedonic-leaning customer groups experienced the same differences in priorities online versus in-store, we separately analyzed the means (and online-offline mean differences) of our hedonic and utilitarian segments. The results are presented in Figure 4 below (insignificant p-values are highlighted in grey).

HEDONIC				
Attribute	**Online Importance**	**In-store importance**	**In-store versus online mean difference**	**Mean difference P-value**
Service	4,94	7,19	+2,25	.000
Personalization	6,51	5,26	-1,25	.005
Inspiration/suggestions	7,11	7	-0,11	.765
Aesthetics	7,72	8,28	+0,56	.109
Choice	7,83	7,02	-0,81	.046
Price	8,32	7,23	-1,09	.000
Information availability	9,13	6,28	-2,85	.000
Convenience	8,85	7,47	-1,38	.000
UTILITARIAN				
Attribute	**Online Importance**	**In-store importance**	**In-store versus online mean difference**	**Mean difference P-value**
Service	4,47	6,92	+2,45	.000
Personalization	5,57	5,05	-0,52	.077
Inspiration/suggestions	5,48	5,28	-0,20	.572
Aesthetics	6,5	6,43	-0,07	.867
Choice	7,93	7	-0,93	.014
Price	8,85	8,32	-0,53	.037
Information availability	8,1	5,9	-2,20	.000
Convenience	8,65	7,53	-1,12	.025

Figure 4: Breakdown of the online versus in-store feature importance differences according to hedonic and utilitarian respondent groups.

All overall tendencies previously reported appear to be valid both among hedonic and utilitarian customer groups. Notably, among both utilitarian- and hedonic-leaning customer groups, the feature that was found to be the most important in-store as compared to online is *service*: both for hedonic and utilitarian groups, it was found to be relatively unimportant online (4,94; 4,47) but very important in-store (7,19; 6,92).

7.6.3. Statistically significant mean-differences between hedonic and utilitarian customer groups

A mean comparison was performed between hedonic and utilitarian customers on the previously presented store attributes, both in physical and online store settings. Only the comparisons that were statistically significant (i.e. a significance level above 95%) were taken into consideration in our analysis. The results are exhibited in the following table (only statistically significant results are included and commented on for brevity).

PHYSICAL STORES			
Attribute	Mean Importance Rating		Hedonic feature importance surplus
	Utilitarian	Hedonic	
Inspiration/suggestions	5,28	7	1,72
Aesthetics	6,43	8,28	1,85
Price	8,32	7,23	-1,09
ONLINE STORES			
Attribute	Mean Importance Rating		Hedonic feature importance surplus
	Utilitarian	Hedonic	
Inspiration/suggestions	5,48	7,11	1,63
Aesthetics	6,5	7,72	1,22
Information availability	8,1	9,13	1,03

Figure 5: Statistically significant mean-differences between hedonic and utilitarian respondent segments.

Upon examining the results, it is evident that aesthetics represent an extremely important aspect for hedonic customers, when compared to utilitarian respondents, across both sales channels. Hedonic customers rated the importance of *aesthetics* 8,28 in physical stores and 7,72 online, compared to means of 6,43 and 6,5 respectively for utilitarian customers. This is also something that holds true for the *inspiration* aspect where again there is a significant difference between the means between the groups, across both channels (7 and 7,11 for hedonic respondents; 5,28 and 5,48 for utilitarian respondents). Finally, the remaining statistically significant mean-differences between groups were that information availability was found to be more important for hedonic customers in an online setting, while price proved to be more important for utilitarian customers in an offline setting.

The results represent a rather strong confirmation of our expectation that hedonic customers will value a more aesthetics- and inspiration-driven experience regardless of the different sales channels.

7.7. Innovative features in physical stores

Respondents were asked which, if any, of 10 unconventional or innovative physical store features they were interested in "seeing more of" in clothing stores. The results are presented in Figure 6.

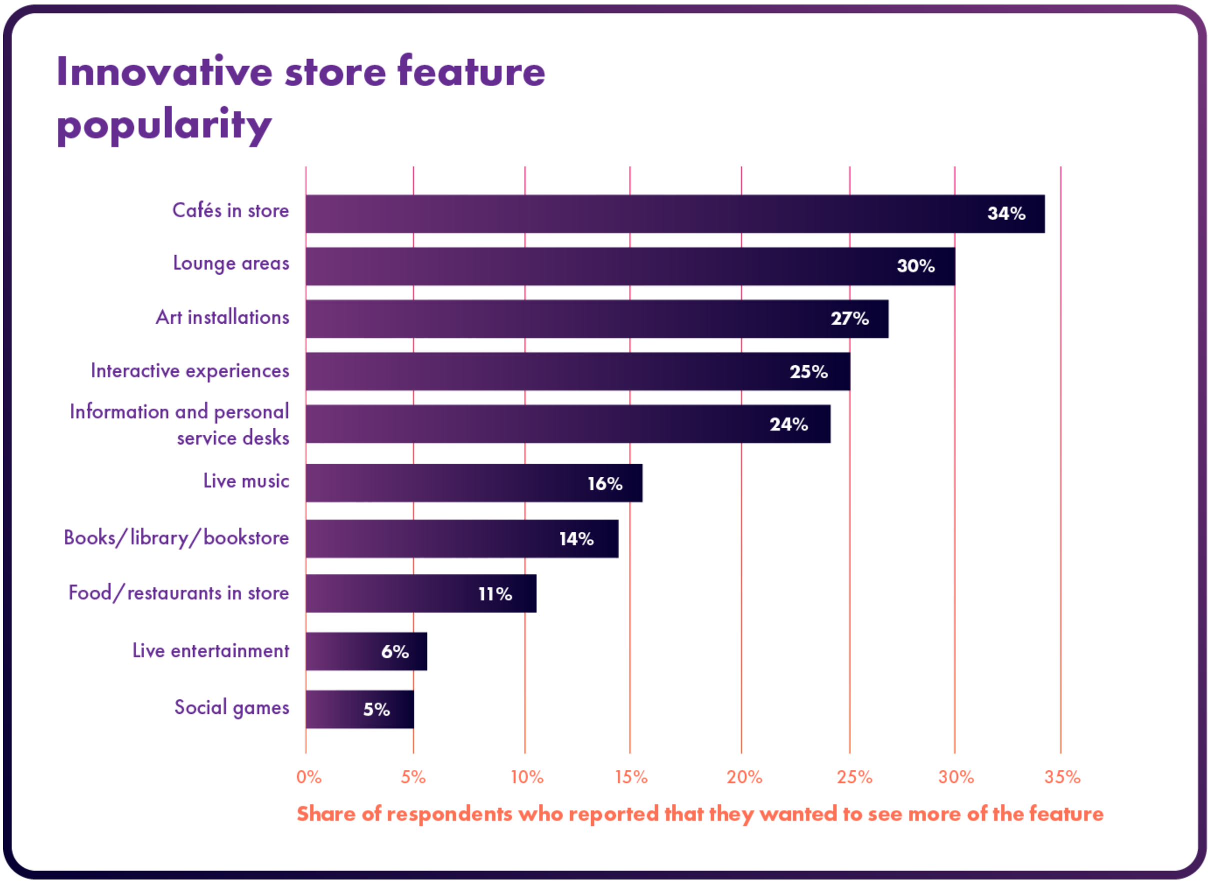


Figure 6: Innovative store feature popularity, measured by share of respondents interested in features.

A first finding was that no single feature was desired by a majority of the customers. One explanation might be that respondents may have been reluctant to pick more than a few "favorites" of the 10 available responses, deflating all the results. Another explanation might be that no single feature can cater to the majority of customers, and that stores might have to appropriately combine innovative features or tailor them to their target group profile.

The three most popular unconventional features were found to be *cafés in store*, *lounge areas*, *art installations*, with a popularity of 34%, 30% and 27% respectively. However, some elements that arguably are more prone to dominate the in-store experience were far less popular, like *social games*, *live entertainment*, and *restaurants in store*, which were only reported to be desired by 5%, 6% and 11% of the respondents respectively. The trend seems to be that though unconventional elements that can make the shopping experience more engaging are popular, they ought not to dominate the store like for example *live entertainment* might do.

7.8. COVID-19 and general channel use trends

Respondents reported that during the past 5 years, they have overall increased the share of purchases made online. On a scale from 1 ("started shopping more offline") to 10 ("started shopping more online"), the average was 6,8. 20% of the respondents reported 10, i.e. that their behavior has very strongly shifted toward online purchase channels. Still, 34,5% responded 5 or less, implying that the trend isn't universal, and a significant portion of our respondents have *decreased* their share of online shopping compared to offline shopping.

During COVID-19, respondents on average reported an *increase* in online fashion shopping (6,17/10), a *decrease* in brick-and-mortar fashion shopping (3,37/10), and a *decrease* in overall fashion shopping (4,47/10). 55% reported that they intend to shop more in physical stores after the end of COVID-19, while 45% reported that they rather intend to shop more online after COVID-19.

7.9. Long-run fashion shopping behavior intentions

Respondents were asked to rate their long term intentions for a series of behaviors related to fashion shopping on a scale from 1 ("I would almost never do this") to 10 "I would very often do this").

7.9.1. Positive long-term intentions

The behaviors that can be expected to increase in the future based on our respondent's intentions are:

- Omnichannel behavior, i.e. using multiple channels at the same time when shopping for fashion. (μ: 6,26/10)
- Webrooming. (μ: 6,11/10)

7.9.2. Neutral long-term intentions

Multiple behaviors had means too close to the midmost answer (5.5/10) to be able to predict any significant change. These include:

- Shopping for fashion in small niche stores. (μ: 5,22/10)
- Shopping for fashion in large apparel stores. (μ: 5,28/10)

7.9.3. Negative long-term intentions

The behaviors that can be expected to decrease in the future based on our respondent's intentions are:

- Showrooming. (μ: 4,30/10).
- Apparel retailer mobile app use. (μ: 3,59/10).
- New technology use. (μ: 4.43/10). Though both our "hedonic" and "utilitarian" groups reported a decrease in new technology use, there was a statistically significant difference. In fact, hedonic-leaning customers have a higher intent (5/10) to use new technology for fashion shopping than utilitarian-leaning customers (3,75), at a 95% significance level. Surprisingly, this was the only statistically significant difference in long-term behavioral intentions between utilitarian and hedonic respondents.
- Shopping in department stores. (μ: 4.33/10).
- Shopping in malls. (μ: 4,38/10).

8. Discussion and implications

We here attempt to answer our two leading research questions based on the findings from our research:

1. **To what extent will the physical fashion store remain relevant for shoppers in an increasingly digitalised retail context?**
2. **How is omnichannel retailing shifting the role of the physical fashion store for shoppers?**

In the first part of this discussion, we suggest that the physical store is likely to remain highly relevant for shoppers in a digitalised retail context, and in fact that omnichannel shopping can create new synergies between new digitalised channels and the physical store. In the subsequent parts, we expand on different aspects of the role of physical retailing for fashion shoppers within that context. In the final part, we discuss the limitations to our research and some opportunities for further study.

8.1. Omnichannel synergies and the relevance of the physical store

A first point that our research showed was that the move from single-channel to omnichannel models has not eliminated the important place of the physical store for fashion retail, and isn't likely to do so in the foreseeable future - instead, it has created opportunities for cross-channel synergies. Indeed, our quantitative study (see part 7.2.) showed that there is a 35% positive correlation between respondents' online shopping frequency and offline shopping frequency. Thus, shoppers who frequently make purchases online are not less likely, but actually ***more*** likely, to frequently make purchases in-store. Additionally, our *omnichannel shopper* segment, including the respondents who are likely to use multiple channels at any single shopping occasion, were likely to shop more frequently in physical stores than the respondents who were not classified as *omnichannel shoppers*.

These findings were strengthened by our qualitative consumer interviews (see part 6.1): more than half of the ten interviewees stated that the emergence of omnichannel retailing either hasn't affected or has *increased* their physical store use. From the insights gained through the interviews, it seems that the more frequent and involved customers, interested in researching and comparing products before buying them, were the ones who tended to use multiple channels simultaneously the most to help them in their extensive *pre-purchase* stages. Though they use online channels like online stores, price comparators or social media extensively, they all stressed the importance of physical stores to be able to get more vivid inspiration, try on the clothes, or to see the quality in person, or simply because they found it more convenient than waiting for a delivery from an online store.

In our pre-study, our interviewee P predicted these findings (see 5.4.), saying that "omnichannel customers are better customers". P and company M didn't see the emergence of omnichannel retailing, and the underlying digitalisation, as an important threat to the physical store. Nor did he express any major concern about cannibalisation between channels. Rather, P saw opportunities for new synergies between the channels, since customers who engage in online channels are also "better" in-store customers.

We therefore suggest, in concordance with Alexander & Blazquez Cano (2020), that at the macro level, the physical fashion store is here to stay, and isn't essentially jeopardised by the emergence of online sales channels and touchpoints. However, digitalisation is *shifting* customer behavior and their expectations for the store, and it *can* in fact be a threat to individual stores who are unprepared for these shifts. Thus, having established the continued importance of the physical store in fashion retail, we now turn to its role in an omnichannel context, the adaptation to which can foster cross-channel synergies.

8.2. The physical store as a unique point of interaction between brand and customer

Throughout both our quantitative and qualitative interviews, customers expressed the importance of the physical stores' immersive attributes such as more developed aesthetics, cafés and lounge areas (see 7.7., aesthetics in 7.6.1.). Additionally, our qualitative interviews reveal that customers see the store as a source of inspiration when engaging in their shopping journey. In their description of the "perfect fashion store", they revealed that the store ambiance and mood, as well as the availability of immersive or interactive features like seating areas or art, were crucial (6.7.). Innovative and immersive features like in-store cafés tend to be appreciated by the customers as long as they don't dominate the store (see 7.7.). Thus, overall, customer experience generation seems to be increasingly crucial for physical fashion retailing, as strongly supported by previous literature (Puccinelli et al., 2009; Blàzquez, 2014; Baker, Levy, and Grewal 1992; Mehrabian and Russell, 1974).

From the company perspective, P explained that company M views the physical store as a highly valuable marketing touchpoint, describing it as the *only* touchpoint where the customer gets to experience a physical manifestation of the brand. P implied that well placed, immersive and pleasant stores, generated far more value than the sheer sales made in-store. He also commented on the fact that the store has a lower cost-to-benefit ratio than oversaturated traditional media advertising. Thus from the company perspective the physical store has an increasing brand-building and marketing role. A practical implication is that the value of a store investment cannot be measured solely by the expected in-store sales in a large omnichannel company like company M. This shift in the role of the physical store is also supported by Alexander & Blazquez Cano (2020), and closely related to the shifts towards the roles they describe as “brand storyteller”, “social and cultural experience provider”, and “sensorial giver”.

8.3. Beyond webrooming and showrooming: the place of the physical store in the customer journey

The quantitative survey revealed that in an omnichannel context, fashion shoppers are more prone to engage in webrooming than in showrooming behavior. Indeed, in part 7.4., an analysis of respondents’ historic online versus offline channel use throughout the customer journey revealed that *need recognition* and *evaluation of alternatives* very often took place on online channels, while the *purchase* stage was far more likely to take place in a physical store. The qualitative interviews suggested that this partially can be attributed to the mere quantity of content contributing to the *need recognition* stage online (social media, articles, reviews, e-commerces, videos…) and the large availability of product information online; regardless of whether the customer intends to make the purchase online or offline. The analysis of customers’ intentions also revealed that webrooming behavior is likely to increase for fashion shoppers, while showrooming behavior is likely to decrease (see 7.9.1. and 7.9.3.).

The implication is that the physical store has a larger, but not exclusive, role to play in the *purchase* stage than the earlier stages of the customer journey. This can mean that it often may be more fruitful to prioritize investments in purchase facilitation (self-checkouts, more cashiers' desks, size availability) than investments in in-store information availability for instance.

However, our studies also revealed that the concepts of *webrooming* and *showrooming* need to be transcended to fully understand the customers' behavior and adapt to it. Indeed, our qualitative interviews revealed that respondents didn't consciously choose a *webrooming* or *showrooming* approach, and that there were no clear-cut rules to their fashion shopping channel choices. Respondents often had both online and offline channels in their *need recognition* stages. Even after settling on a choice after online information search and alternative comparisons, respondents stressed that they often still wanted to see the product in store and try it on before making the purchase – i.e. even webrooming purchases can involve a crucial "hidden" last stage of validation of the garment choice when seeing it in-store. Additionally, in our pre-study, P pointed out that the physical store has and will increasingly have a crucial logistical role in shaping the future of last-mile delivery, which adds a further point of complexity to the customer journey.

The implication is that although *webrooming* and *showrooming* can be relevant guiding frameworks for analysis (as they are in Jing, 2018) or to adapt to customer journeys, it can be an error to solely be guided by these concepts when attempting to understand customer behavior and to plan according to it. In our pre-study, P concurred with this, and stressed that this framework is overused and fails to capture the complexity of shopper behavior. It may also be the case that some industries or product categories are more prone to generate pure-*showrooming* or pure-*webrooming* behavior than others.

Finally, we suggest further research and new frameworks can be helpful in order to be able to transcend these concepts, when attempting more in-depth customer behavior studies. Indeed, the *webrooming/showrooming* framework may be becoming increasingly outdated since the beginning of the shift from simple multichannel models to the increasingly complex omnichannel customer journey, especially in markets like fashion retail.

8.4. The assortment of the physical store of the future

8.4.1. Product categories

Understanding which types of items are most prone to be bought in-store compared to online can contribute to optimally organising, displaying, and managing the physical store's assortment. For instance, pushing the sale of an item that customers like to purchase online (through promotion or prominent placement for instance) can lead to fewer spontaneous in-store purchases than when pushing the sale of an item typically bought in store. In the former case, the physical store is competing against online stores; while in the case of the latter it can capture sales that would have gone to other physical stores sooner or later.

Our findings from the qualitative interviews (see 6.3.) show two main factors determining whether a product is prone to be bought online or in-store:

1. *Fit importance:* We suggest the term *fit importance*, where *high-fit-importance products* are products for which size and fit are important and/or hard to estimate. Such products are more prone to be bought online than products where fit isn't important or where it is easy to order the right size.
2. *Involvement:* high-involvement products are more prone to be bought in physical stores, since features like quality, color, look, or feel cannot be fully estimated online, and since mistakes are more costly.

The quantitative study (see 7.5.) showed that formalwear, glasses, and outerwear (all of them high involvement, high fit importance categories) were most prone to be bought in-store. Sportswear, bags, and gifts (low fit importance) as well as basics (low involvement, low fit importance) were most prone to be bought online.

However, there were two surprising findings in the quantitative study. Shoes were found relatively prone to be bought online, while they are high-involvement, high fit-importance products. This contradicts part of the qualitative interviews, where shoes were often mentioned as offline-only items. A hypothetical explanation can be that people know their shoe size well enough, and that they trust the quality of well-known shoe brands. The other surprising factor was that accessories, i.e. low-fit-importance products, were relatively prone to be bought offline. An explanation might be that many accessory purchases are impulse purchases in physical stores. Another explanation is that many top-of-mind accessories like jewellery are high-involvement products.

Finally, it should be noted that none of the categories measured were found to be *more* prone to be bought online than offline in our quantitative study. The question was in fact based on historic behavior, and did not measure the proneness of the categories to shift toward online sales channels. As digitalisation increases however and more customers become used to online-shopping, one can expect an increase in the differences between products typically purchased in-store and those typically purchased online. Physical retailers thus need to be prepared for such a shift, and put emphasis on their high involvement and/or high fit-importance products.

8.4.2. Assortment curation and assortment size

While some interviewees in our qualitative study (see 6.7.) stressed the importance of a broad and well organised assortment, others sought after a more niche and curated assortment. Both *choice* and *price* were found to be less important in-store than online (see 7.6.1.); and when stores cannot compete with online retailers in these aspects, assortment curation quality can be a crucial differentiating factor. One qualitative study interviewee explicitly stressed that he would prefer a smaller in-store assortment if the curation is better and the quality is assured.

Our findings are insufficient to elaborate on the ideal curation level or assortment for a physical fashion store, but we suggest two tentative points. First of all, the assortment curation and size don't need to be incompatible: a large store can have an assortment that both has a large number of SKUs, *and* carefully ensures the manufacturing quality and aesthetic style of each SKU. Secondly, if a choice needs to be made between assortment size and curation level, we suggest that curation level might be a more efficient way to create a competitive advantage over online retailers, while no brick-and-mortar store can hold the assortment breadth of a large online store.

8.5. The importance of in-store service

Our findings on in-store service seem paradoxical at first. In fact, service was often mentioned both as a crucial factor enhancing the experience and as a frustration point detracting from the customer experience.

A possible hypothesis explaining this could be attributed to the fact that hedonic customers appreciate personal service while utilitarians do not, however our findings in 7.6.2.

refute this explanation, since both hedonic-leaning and utilitarian-leaning respondents found service to be a very important factor for physical fashion stores. In fact, it is the only measured factor that both segments experienced to be more important offline than online, implying that *service* has a unique place in physical retailing.

In light of insights gained by our qualitative interviews, we suggest the explanation that on one hand, when done right, service can be a key factor improving the customer experience (as supported by Brynjolfsson et al., 2013, who mention it as an important way for offline stores to compete in an omnichannel context). However, on the other hand, when done poorly, it can be a major source of frustration. Thus, it is not enough to encourage salespeople to interact with customers: research needs to be done on what type of service has the most positive effect on the customer experience in fashion retail, and employees need proper training, to generate customer value without creating frustration.

From our qualitative interviews, we can make a tentative suggestion of the service behaviors that most frustrate customers:

- Unsolicited approaches.
- Aggressive selling techniques.
- Unhelpful service that comes as a result of inadequate training provided to the employees.

Likewise, the following behaviors seem to be most appreciated and desired by customers:

- Approachability and friendliness.
- Honest advice without direct sale pushing.
- Knowledge of assortment and actual fashion interest, ability to give relevant recommendations.

Finding the right balance and approach to service can be crucial to give physical stores a competitive advantage over online retail, and to foster each channel's key strengths for an efficient omnichannel model.

8.6. The need to reduce "stress and hassle"

A recurring finding from both consumer studies was how stressful the in-store experience can be, and how important it is to make the store environment more relaxing and welcoming. In fact, in part 6.4., multiple respondents reported that one of the key advantages of online shopping was the avoidance of stressful in-store experiences. In 7.6.1., we mention that when survey respondents were able to freely type important aspects for physical stores, a recurring answer was that the store ought to be calm and not overcrowded. Additionally, the presence of abundant, clean and convenient changing rooms were vastly requested, as confirmed by our qualitative findings. Calm music and dimmed lightning were also frequently suggested desired attributes in our qualitative study. Additionally, in 7.6.1., *convenience* was the second most important in-store attribute according to our respondents, and this factor may include the desire for a hassle-free, calm and not overwhelming experience. Albrecht et al. (2017) support the importance of reducing stress, as they find it increases purchase abandonment, especially for “task-oriented” shoppers.

An implication is that stores need to adapt their aesthetics to foster calm emotions and reduce the stressfulness of the physical shopping experience. Space also needs to be optimising store flow to avoid the feeling of overcrowdedness, and changing rooms need to be sufficient and easy to use.

8.7. Rethinking location

Another shift in the role of physical stores that could be identified was related to location. Indeed, during our pre-study P emphasized that while he didn’t expect any major decrease in the current number of physical fashion stores, some store location types might decrease in importance or experience decay. The decline in shopping malls and high traffic streets will urge fashion retailers to rethink the locations in which they open or maintain their stores. P’s comments are entirely backed up by the results of our quantitative survey, in which the long-term intentions of “shopping in department stores” and “shopping in malls” were found to be negative (means of 4.33 and 4.38 out of 10 respectively). Thus, and in connection with the need for the physical stores to act as an everyday brand touchpoint for their customers, fashion retailers will need to rethink their store placement strategy - perhaps closing stores in shopping malls and opening stores in local neighborhoods. Previous research has also shown that stores are moving to a smaller footprint overall to foster closer personal contact with the customer (Alexander & Blazquez Cano, 2020).

8.8. The "right" technology

In an omnichannel context, technology, like the mobile phone, can be a bridge between online and offline channels, with retailers developing in-store app functionalities (see for instance H&M's "in-store mode"[12]). Van Heerde et al. (2019) write that "the app offers offline-only customers convenient access to digital engagement, thus increasing their total engagement and customer value". Therefore, in-store technology offering can be an important part of the future role of the physical store.

With this in mind, the intended *decrease* in mobile app use and new technology use that were seen in our findings (see 7.9.3.) came as a surprise, especially given that respondents reported the intention to shop *more* online and to *increase* their omnichannel behavior. Interestingly, 53% of respondents reported that they do not have a single fashion retailer mobile application on their phone, while 28,7% reported to have one such app, and 18,4% reported to have between 3 and 5 fashion retailer apps. Not a single respondent reported to have more than 5 retailer apps on their phone. Additionally, 73% of respondents reported that they would prefer to use a clothing retailers' website rather than its mobile application, if they had the app installed. These findings suggest that although customers are interested in increasing their use of digital tools overall, and although online-offline synergies are plentiful (see 8.1.), customers have a lower attitude toward mobile applications (at their current state) and new technology compared to traditional online websites.

This partly challenges Van Heerde et al. (2019) who saw great potential in the use of mobile apps in store – our results suggest that if customers use their phones when shopping for fashion, they are more likely to turn to the retailer's website than toward their mobile app. It is possible that Van Heerde et al. studied samples in a social/economic/cultural context more favorable to app use (for instance, the authors mention the studied customers are "likely high net worth individuals"), and/or in market sectors where such use is more relevant. However, another relevant difference is that their study only focuses on the potential apps have *among customers who already have downloaded the app*, whilst our main challenge is that a very small proportion of total customers for any given fashion retailer are likely to download and use the app. The rest seem to often be frustrated by retailer apps and avoid

[12] H&M. (n.d.). IN-STORE MODE. Retrieved May 12, 2021, from https://www2.hm.com/en_us/customer-service/shopping-at-hm/in-store-mode.html

them. Similarly, Bellman et al. (2011), who also argue for the potential for mobile apps in generating engagement, perform their experiment on individuals who were all asked to interact with 8 different retailers' apps. It would be interesting to see whether overall engagement is increased further by a website or an app with similar functionalities, when taking into account the difference in the number of customers likely to use both tools.

Further studies are needed on this subject in order to find the adequate way to implement new technology which can complement and improve the customer shopping experience, and bridge the online-offline "gap", instead of creating the frustration that customers seem to have with the current state of fashion retailer apps. For now, it seems that just because mobile apps are newer doesn't mean that they are ready to challenge regular online websites. We suggest the hypothesis that there is great potential in adding in-store functionalities to websites, instead of developing new apps for such uses.

An interesting point to mention here is that when asked about which technological innovations P from company M saw as having the largest potential to transform fashion retail, he did not mention mobile apps, VR or AR, but technological innovation in last-mile delivery (see 5.3.). In fact, P explained that remote locations that are ill-connected to the efficient urban logistics do not benefit from fast, convenient and affordable deliveries that have enabled urban fashion shoppers to adopt omnichannel behavior. Thus, improving logistics and especially last-mile delivery has perhaps the largest potential to change fashion retail in the foreseeable future.

8.9. COVID-19: a (small) boost to online retail

When asked about the long-term effects of COVID-19 on fashion retailing, P. said during our pre-study that he expects there to be an increase in online sales channel use, but that overall the online-offline distribution of sales shouldn't be radically different from the lower pre-pandemic levels (5.7.). He believes the temporary boost to online sales due to social distancing and lockdowns limiting physical store accessibility will fade away and leave more moderate long-term effects.

Our quantitative research confirmed that consumers temporarily *increased* their online fashion shopping, *decreased* their physical store shopping, and in general *decreased* fashion shopping during the COVID-19 pandemic. However, while 45% of respondents reported that they would increase their online shopping in the long run as a consequence of COVID-19, 55% of respondents reported that they would increase their physical store shopping long-term after COVID-19 (see 7.9.). In our qualitative interviews, all respondents reported that COVID-19 will have a very neutral overall effect on their fashion shopping behavior. It should be noted that our studies were conducted in Sweden however, which already has a mature online fashion market and where COVID-19 restrictions didn't lead to a complete lockdown of fashion stores. In other countries with less mature online markets, COVID-19 restrictions on physical fashion retail may have forced many consumers to try online sales channels and build habits that may have longer-term impact on the market - this would require further research in markets where different circumstances regarding market maturity and COVID-19 restrictions applied.

8.10. Limitations and further research opportunities

The sharp shifts in customer behavior and retailer offering, since the appearance of digitalisation and omnichannel shopping necessitate constant research to be properly understood and to allow both academia and the retail industry to adapt to the new retailscape. We hope that the present study can contribute to the understanding of the emergent role of the physical fashion store within this context, especially through our focus on the consumers' preferences and behavior. However, when interpreting our research, it is important to consider some key limitations.

First of all, our study was conducted in the Swedish market. On one hand, the restraint to a geographic context is necessary for the quality of the results. On the other hand, this implies that our findings may be less applicable for some markets that are fundamentally different from the Swedish one. For example, one important distinctive aspect of the Swedish market is the maturity of its online retailing and omnichannel behavior. During COVID-19, it is also important to note that Sweden had a far less restrictive approach than other countries, and that hence the effect of COVID-19 on the fashion retail market may be very different than in countries that adopted full lockdowns of non-essential retail sectors. Research in other countries is needed to understand the described shifts' developments and effects internationally. However we do not believe a global-level study can be done without compromising its relevance and applicability to specific real-world contexts.

Another limit to be acknowledged is the limited sample size which did not allow for a representative population sample. Our focus on respondents that have grown up in a digitalized context and are used to an omnichannel market, is highly relevant for a study on the *future* role of physical retail, but a large representative sample could allow for more nuanced findings and cross-generational comparisons. A study with such a cross-generational research scope would be an interesting future contribution.

Our restraint to the fashion industry was an important choice to increase the depth and relevance of our findings. We also believe it to be a particularly interesting case study because of the ambiguity of the changes in the fashion market compared to other retail sectors. However, the digitalization and omnichannel phenomena have heterogeneous and intense repercussions across the retailing industry that need further individual sector-by-sector and cross-sector research.

Finally, our findings suggested that the *showrooming* and *webrooming* concepts might be insufficient for in-depth customer behavior analysis, and we believe there is a great need for further research on developing this framework or replacing it by a more nuanced and dynamic model.

9. Conclusion and overall contribution

9.1. Main research contributions summary

Our research contributes to existing literature by delving into a specific sector – i.e. fashion retail – and focusing on the consumers' perspective, combining qualitative and quantitative research methods to obtain a holistic picture on the customers' behavior and preferences in an omnichannel context. We thereby provide a complementing consumer perspective to papers like Alexander & Blazquez Cano (2020) that focus on industry expert perspectives. We support prior findings on the importance of service and the customer experience (Brynjolfsson et al., 2013, Puccinelli et al., 2009; Blàzquez, 2014; Baker, Levy, and Grewal 1992; Mehrabian and Russell, 1974), as well as the related shift of the role of the physical store, to that of a unique brand touchpoint (Alexander & Blazquez Cano, 2020).

We also contribute to existing research by suggesting a list of fashion product categories prone to be shopped online versus offline in an omnichannel context, and suggest *involvement* and *fit-importance* as the two main determining factors for a fashion item. Additionally, we also show the need to transcend established *webrooming* and *showrooming* concepts in certain circumstances, since they were found to be insufficient to fully understand our respondents' fashion shopping behavior.

Finally, we challenge the potential of in-store mobile application offerings (as argued for by Van Heerde et al. 2019), by suggesting that they are far less likely to be used by customers than websites, thus hindering their potential for widespread consumer engagement. However, further research is needed to confirm or refute this, or to suggest technological alternatives to mobile apps.

9.2. Conclusion

Digitalization and the emergence of omnichannel retailing have had a large impact on how consumers shop for fashion. Online touchpoints have rapidly gained in importance, and the new context necessitates adaptation that some actors aren't keeping up with. However, in the long run, our research has revealed that, far from going extinct, the physical store is evolving, and can benefit from cross-channel synergies to foster its inherent strengths in new ways.

Our first guiding research question was to what extent the physical store will remain relevant for customers in an increasingly omnichannel context. We can now answer that the physical store remains crucial as a unique physical point of contact between brand and customer; as a necessary help in quality and fit assessment; as a place for immersive and social experience; as a point of last-mile delivery; and as an ever-relevant sales channel for many customers that do not appreciate online shopping. When well adapted, the store isn't threatened by online channels: instead, as we found, "omnichannel customers are better customers", both online and offline. Even COVID-19, in spite of creating strong incentives for online-shopping, wasn't found to jeopardize the long-term importance of physical fashion retailing, though it accelerates the emergence of omnichannel behavior.

However, in order to remain relevant, stores need to adapt to the emergent role of the physical store in an omnichannel customer journey. What this role is and how stores can adapt to it was the focus of our second research question. Our findings show that effort needs to be made on creating an engaging environment with high-quality service, a calm and immersive customer experience, a well selected assortment, and a proper location. Some store formats like department stores or mall-stores may see a strong decline, but well-placed moderately sized stores can be of great value for a fashion brand in multiple ways. Assortment planning will also need to remain highly conscious of the products that are most prone to be purchased offline versus online: high-involvement, high-fit-importance products are central to the role of the physical store. New features also suddenly become relevant in stores: lounge areas, store-cafés, art installations, and large comfortable changing rooms, all have the potential to complement the in-store customer experience and to foster inherent brick-and-mortar competitive advantages.

Continued research on the role of the physical store in different markets, within different segments, on different samples, and with different scopes; remains highly relevant to understanding the rapid changes prompted by digitalisation and new forms of shopping behavior, as well as to help actors adapt to a changing context. Only by understanding how the customer interacts with the evolving retailscape can brick-and-mortar stores find the right "bricks" for a world of "clicks".

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11. Appendix

11.1 Quantitative consumer survey

In the following segment we disclose the questions of the Quantitative consumer survey following the overall structure of the Qualtrics Survey tool.

Profiling questions

What is your age?

- 18-20
- 21-30
- 31-40
- 41-50
- 51-60
- 61-70
- 70+

What gender do you identify as?

- Male
- Female
- Other

What is your current employment status?

- Employed
- Self Employed
- Unemployed
- Student
- Retired

Hedonic versus utilitarian leaning profiling

Mark the statement that best corresponds to you:

- When shopping for apparel/clothing, I like to browse the store, have fun, get inspired and discover new products.
- When shopping for apparel/clothing, I spend little time in store, I am goal-driven and efficient.

General omnichannel behavior questions

How often do you usually shop for apparel/clothing...

Once a Year		A Few Times a Year			Every Month				Everyday
1	2	3	4	5	6	7	8	9	10

In a physical store

On the internet

How often do you use more than one channel touchpoint (i.e. physical store, online store, social media) when shopping for a clothing-related item?

Never									On Every Shopping Occasion
1	2	3	4	5	6	7	8	9	10

Fashion retailer application questions

How many apparel retailer apps do you have on your phone?

- Zero
- 1 to 2
- 3-5
- More than 5

Do you prefer using apparel retailers' apps or webpages if you already have the app on your phone?

- Apps
- Webpages

Fashion retailer loyalty program questions

How many fashion retailer's loyalty programs are you a member of?

- Zero
- 1-2
- 3-5
- More than 5

Past fashion shopper journey mapping

Based on your previous behavior, are you more likely to use online or offline channels during the following stages?

More Likely Offline — More Likely Online

1 2 3 4 5 6 7 8 9 10

Realizing a need / getting inspired to buy a product.

Comparing alternatives, searching for information and reviews.

Making the purchase.

Receiving your products (pick up in store/home delivery).

Reviewing the product.

Change in channel use frequency

During the past 5 years, have you:

Started Shopping Offline More — Started Shopping Online More

1 2 3 4 5 6 7 8 9 10

Apparel product category channel preference

Where have you most often bought the following products during the past few years?

Offline 1	2	3	4	5	6	7	8	9	Online 10

Basics (underwear, socks, plain t-shirts)

Accessories (belts, hats, gloves)

Formalwear (suits, long dresses)

Outerwear (jackets, coats)

Bags

Glasses/sunglasses

Shoes

Gifts

Sportswear

Loungewear

Attitude toward specific fashion retailing omnichannel features

Very Negative 1	2	3	4	5	6	7	8	9	Very Posititve 10

Customer loyalty programs at clothingstores.

Personalised offers by clothing stores.

Personalised suggestions by clothing stores.

Generic news about products and offers from clothing stores.

How do you prefer to get notified about offers, news and promotions by fashion retailers?

- E-mail
- SMS
- App notification
- Printed letter

Attribute importance in offline versus online channels

When shopping in ***physical*** clothing stores, how important are the following factors to you?

Very Unimportant 1	2	3	4	5	6	7	8	Very Important 9	10

Store design, mood and layout.

Price.

Amount of choice of products.

Service/Staff quality.

Convenience and ease of shopping.

Information availability.

Product inspiration and ideas.

Personalization for your interests and needs.

Is there anything else that you find very important when shopping in a ***physical*** clothing store?

When on the internet and shopping in ***online*** clothing stores, how important are the following factors to you?

Very Unimportant								Very Important	
1	2	3	4	5	6	7	8	9	10

Online store design, mood and layout.

Price.

Amount of choice of products.

Service/Staff quality.

Convenience and ease of shopping.

Information availability.

Product inspiration and ideas.

Is there anything else that you find very important when shopping in an ***online*** clothing store?

Attitude toward innovative/unconventional in-store features

Which of the following features, if any, would you like to see more of in physical clothing stores? (Multiple choices allowed)

- Cafés in store
- Food/restaurants in store
- Live entertainment in store
- Live music in stores
- Lounge areas
- Books/library/book store
- Social games
- Information and personal service desks
- Interactive experiences
- Art installations

What else would you like to see more of in physical clothing stores (if anything)?

Questions related to COVID-19: changes in behavior and intentions intentions

Since the beginning of COVID-19, how have your apparel shopping habits changed? Have your following behaviors become more or less frequent?

Much Less Often — Much More Often
1 2 3 4 5 6 7 8 9 10

Shopping for apparel products overall.

Shopping for apparel products online.

Shopping for apparel products in physical stores.

When the COVID-19 pandemic is over, do you intend to:

	Less	More
Spend more or less on apparel in the ***short run***?	○	○
Spend more or less on apparel in the ***long run***?	○	○

When the COVID-19 pandemic is over, do you intend to:

	Online	Offline
Shop more online or offline for apparel in the ***short run***?	○	○
Shop more online or offline forfashion in the ***long run***?	○	○

Control question

What was the survey about?

- Behaviour in online and offline apparel stores.
- Book store sales margins.
- Grocery retailing.

Future shopping behavior intentions

How would you rate your intentions, when shopping for apparel, to do the following in the long run:

I Would Almost Never Do This									I Would Very Often Do This
1	2	3	4	5	6	7	8	9	10

Use multiple channels (websites, social media, price comparators, physical stores etc.) at the same time when shopping for clothing.

Look at products in stores and buy online.

Look at products online and buy in store.

Use fashion retailer apps.

Use new technology in your shopper journey.

Shop more at small unique apparel stores.

Shop more at large apparel retailer stores.

Shop more at department stores.

Shop more at malls.