



VAASAN AMMATTIKORKEAKOULU  
UNIVERSITY OF APPLIED SCIENCES

Dung Nguyen- e1601095

# Influences of Multi-Channel Distribution Related to Consumer Buying Behavior and Profits Growth Rate.

Case: Fast Fashion Companies

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## ABSTRACT

Author	Dung Nguyen
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The main objective of this thesis was to make a comparison between single channel distribution and multi-channel distribution and so understanding the customer behaviors related to the multichannel distribution connection with the fast fashion companies. The influence enables the business to choose the suitable distribution system and the companies can enhance customer attraction, brand awareness as well as profits growth.

According to the data gathered from the online survey and interviews, the research illustrates consumer buying behavior regarding the multi-channel distribution of fast fashion companies and explores that the process assisting to improve the brand awareness, and consumer attraction. The research also provides analyzed the financial performance of six fast fashion companies with a five years period from 2014 to 2018 with the aiming of showing the influence of behavior of end-users on fast fashion companies.

There are the positive influences of multi-channel distribution on brand awareness, customer attraction as well as on consumer buying behavior. Nevertheless, there is a negative impact on profits growth rate when comparing fast fashion companies to e-commercial retailers. The single-channel distribution could integrate effectively with e-commerce retailers to develop business operations.

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Keywords: multi-channel distribution, e-commerce, fast fashion companies, profits growth rate, consumer buying behavior.

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# 1 INTRODUCTION

## 1.1 Background

In the modern era by making several clicks in the laptops or smartphones, a consumer can get everything he/she wants to buy. For the development of Facebook, Instagram, Twitter, Google, YouTube, and many others, there are different options comparing prices, reports the feedbacks and sharing experience instantly on the website. New advanced technologies have created new possibilities for the consumer, and companies are trying to improve products and services. That is the time for studying the important role of multi-channel distribution of doing business and distributing products for the purpose of satisfying the customers' needs. The utilization of multi-channel distribution is growing steadily (Dutta, 1995). However, studies toward multi-channel distribution are simply divided into two specific concerns. One of the traditional aspects is that using multiple communication channels such as email, telephone, and salesforce to reach customers whereas another aspect focuses on selling via many distribution channels which are a retail store and an online website. Having said that, there are several papers concentrating on these same topics whereby I realized that the missing knowledge about the interesting issue of its related to multichannel distributions is the latter field of multi-channel marketing. A considerable number of researchers have conducted researches on the effects of distribution channels. All in all, it is the right time to explore the influences of multi-channel distribution toward company profits growth, company reputation as well as brand awareness, and consumer buying behavior in both negative and positive ways.

Instead of re-studying the studies in this field which have been published more than a decade ago, at this time there is need more updating of multi-channel distribution for the high demand trading products. The importance of understanding the possibilities of utilizing the type of products and its influences on distribution channel selection are needed today. The key industry which will be discussed in this thesis is the fast fashion industry due to its strong involvement in the expansion of e-commerce and multi-channel distribution. Generally, the fast fashion industry describes inexpensive quickly produced products garment sold by mass-market retailers so as to respond to the latest fashion trends. E-commerce websites are online portals that facilitate online transactions of fashion product via means of the transfer of information and funds over the Internet. The paper illustrates the whole process including examples to provide effective guidance for fast fashion

companies to understand various impacts and the needed implementation to raise the number of engaged customers, customer attraction, consumer experience, brand awareness, and profits growth. Furthermore, companies can face several possible combinations in the design of distribution system when given the growing diversity of channels. Hence, it is important for companies to understand the impact of multi-channel marketing in terms of consumer' perspective whereby companies may develop their multiple channel strategies. (Dutta, 1995)

## **1.2 The scope of the Research**

In the last decade, fast fashion has significantly extended and considered to be one of the hottest trends of the fashion industry. Two of the most important issues in fast fashion industry will be discussed in this research, namely fast fashion companies and e-commercial retailers. First of all, fast fashion companies are described as cheap designs that copy catwalk looks in order to emphasizes making trends quickly by using efficient supply chains to release new collections to consumers. H&M Group, Inditex, Uniqlo are considered representative of this trend. On the other hand, fast fashion e-commerce retailers are online platform that facilitate buying and selling of fast fashion products or services over the Internet through means of the transferring data and funds to execute these transactions. For this, this researching conduct case studies in the targeting three largest fast fashion e-commerce retailers, ASOS, Boohoo.com and Zalando.

It could be seen that distribution is one of the most crucial aspects of any businesses including fast fashion companies whereby making wise investments on distribution channels enable companies to be well-known and developed. The limitation of this study is the firms selling through e-commerce channels only and firms selling through multi-distribution channels in the fast fashion industry. Furthermore, the concept of multichannel requires bunches of different channels designed to connect with the consumer.

## **1.3 Research Question**

The thesis focuses on answering these following questions:

- Are there any influences of multiple channel distributions of fast fashion companies related to consumer buying behavior?

- Are there any influences of multiple channel distribution of fast fashion companies related to brand awareness and customer attraction?
- Is the profits growth rate of fast fashion companies higher than e-commerce fast fashion retailers?
- Do young customers prefer shopping at single channel distribution or multiple channel distribution?

#### **1.4 Research Objectives**

There are three main objectives for this research

- To compare single-channel and multi-channel distribution in terms of profits growth rate.
- To explore the influence companies and retailers would be faced with in their multichannel retailing
- To analyze the impact of multi-channel distribution on fast fashion companies.

#### **1.5 Description of Materials and Method**

For the purpose of gathering a clear perspective of factors which impact the consumer buying behavior, I would like to say that quantitative and qualitative methods both seem to be appreciated in this research.

An online survey and interviews by distributing a questionnaire to potential consumers from the age of 18 to 40 is used in this study. This group of potential people is selected due to the key customer segmentation of most of the fast fashion industry. Additionally, this group is assumed to use more channels to compare the fashion products and prices before making the final purchasing decisions. The potential people, who are willing to try the distribution of a new channel, might be compelled to switch from one channel to another.

The online questionnaire includes twenty-one different questions (Appendix 2) directly regarding the study and the space is given to provide the respondents to express their views. The interview survey contains eight open questions (Appendix 1) in order for respondents to express their opinion about their own fashion buying behavior and the benefits they have received from the different channel distributions.



The online questionnaires are distributed to every potential buyer in a random manner through various markets, geography, and the final conclusion are based on the results from customers within the target groups together with the answer of respondents from the interviews.

## **1.6 Structure of the Thesis**

In the first chapter, the subject of the study is introduced, and the scope of the research is presented. In addition, the section describes the background, motivation, and need for the thesis as well as provides the purpose of the paper and presents the research questions. Additionally, the first chapter defines the description of materials and method limitations as well as the structure of the thesis.

The second chapter is the literature review. The theoretical section starts with the initial understanding about consumer buying behavior in terms of online and offline buying behavior. There is an introduction of multiple channel distribution as the following step. The chapter continues with the presentation of multichannel customer behavior with two main aspects, which are cross-channel behavior and price elasticity of demand. The second chapter concludes with the description of the positive and negative impacts used in the given research

The third chapter is the methodology part of the thesis. The chapter begins with the presentation of the research strategy and continues with the methods used in the given research. The methodology part concludes with the description of data collection combine with validity and reliability.

The fourth chapter introduces the empirical findings of the study. The section of the paper presents the online survey findings and results from the interviews concerning the impact on consumers' behavior and the financial issue of multichannel in the business environment.

The fifth chapter is a specific discussion and analysis based on the findings the previous chapter. There are three key issues namely the influence of multi-channel distributions on brand awareness, consumer buying behavior, and profits growth rate.

The sixth chapter of the thesis is a conclusion which begins with the illustration of research main finding followed by discussion of future research challenges. After that, the last chapter demonstrates the demonstration of managerial implications as well as discusses the limitations of the study.

## **2 LITERATURE REVIEW**

The literature review of the study starts with the initial knowledge of consumer buying behavior in terms of online and offline behavior and then the definition of the multiple channel distribution will be presented. This is followed by the concept of multichannel customer behavior as well as the description of multichannel customer behavior aspects and the benefits of multichannel distribution. The chapter ends with the presentation of the disadvantages firms faces in multiple retailing.

### **2.1 Consumer buying behavior**

Hawkins and Coney (2001) state that the consumer buying behavior is defined as groups of people who make a process of choosing, obtaining, using, assorting, promoting ideas and sharing experiences for products or services; and it will impact on private and public consumption.

Barnard & Ehrenber (1990) defend that consumer behavior as the set of mental and physical activities including seeking, picking, buying and using goods and services played out by consumers lead to the result of their own decisions.

Other authors define the study of consumer buying behavior as the decision resulting from the acquisition and use of goods or services (Morrison, 2009). This authors also demonstrate consumer buying behavior is the decision-making activities that influences on the final decision by many factors such as social factors, marketing factors, and situational factors.

Brassington & Petit (2003) show that consumer behavior is a learning, information processing and making decision processes which can be divided into five consequent stages: “problem identification, information research, alternative evaluation, purchasing decision, and post-purchase behavior”. Due to the importance of this decision processes, any business has to understand the elements stages, to observe the changes and to prepare adequate answers occurring over the time.

Living in the modern business world, there is no doubting saying that the environment is changing the consumer buying behavior. Therefore, it is necessary to understand the cur-

rent market in its various areas in order to adapt marketing strategies which involve producing and distributing the products and services to consumers. Businesses are trying to identify the right planning strategies to establish positive relationships with their consumers as well as satisfy the consumers' desires and needs. (Kotler et al, 2011).

For the purpose of selling fashion products or services, consumers prefer to use the online and offline channels which are considered to have similar contributes, benefits, and costs (Kim, 2008). Variety was found by Heinemann and Schwarzl (2010) as online and offline buying behaviors toward social interaction, selection, information possibilities, and entertainment. A different value proposition was explored while selling the same physical goods via online and offline channel characteristics (Chatterjee, 2010).

### **2.1.1 Offline buying behavior**

Offline buying behavior can be viewed as consumers who have the typical behavior of purchasing a product or service from traditional physical constructed facility, for instance, brick-and-mortar retailers, direct selling, catalogue or television home shopping. A number of analysts have already sought to comprehend the meaning of offline buying behavior. For example, in one of the more coherent and developed attempt at a definition, Levy and Weitz (2012) present offline buying behavior as a buying behavior when using a physical store channel whereas Chaffey (2011) clarify the term of brick-and mortar retailing. Krafft and Mantrala (2006) call it stationary retail instead of a physical store, Lu and Liu claim that as experience in a store channel.

Poloian (2009) initially identify the offline buying behavior for those who would like to shop products or services so that it involves meeting face-to-face, where the products or services are actively illustrated, and their advantages or disadvantages are explained. Therefore, the consumers might evaluate directly the quality of products or services without any third parties.

One of the most important benefits of a person having offline buying behavior is that they have a big opportunity to experience new products or services by all five senses including touching, seeing, hearing, smelling and tasting. On the other hand, customers also agree that using cash payment and browsing for the products inside the physical store has several unique benefits and conveniences. The possibility for consumers to receive a purchase immediately after they have paid it. Hence, the concerned risks are reduced, and

the connected issues are accessed easily at the store by the help of sales people (Levy and Weitz, 2012).

Pantano and Viassone (2015) emphasize that retail store is traditionally characterized through evaluating of a large number of customers. Lu and Liu (2012) state that offline buying behavior, especially in a physical store, provides added value to consumers which is the outstanding aspect of the conventional channel distribution from online buying behavior. The consumers who have behavior with offline channels can add greater value for several products by providing user guidance, technical assistance and after-sale service. Thanks to this added value, consumers acknowledge that the retailing buying behavior is more prefer than online buying behavior.

Kolsaker and Galbraith (2000), and Taylor and Cosenza (2000) found that the attributions of consumers who demonstrate offline buying behavior are empathy, variety, customer service, responsiveness, assurance, ease of movement and return, quality, and price. According to Alba (1997), the key dissimilar aspects between the retail and online buying behavior is the absence of the physical store experience and the capability to physically examine a fashion product. For example, clothes are believed to have the highest return rate from consumers who demonstrate online behavior compared to the return rate from the retail buying behavior (Capital Partners, 2013).

### **2.1.2 Online buying behavior**

In the recent years, with the internet development and the enhancement of e-commercial market, consumers establish their own online buying behavior to reach the trend, and online process is becoming a brand-new individual consumption pattern for consumers.

Online buying behavior is initially considered as a behavior to shop at online portals where the products or services are interacted to consumers on the Internet. There are different types of online buying behavior by using electronic retailing, Internet retailing and e-retailing (Levy and Weitz, 2012). Consumers have the possibility to use Internet devices for researching for the price and available or exploring the new products and sales season in order to complete purchase.

Online buying behavior captures those who would like to purchase goods or services on the Internet helping them to eliminate the waste of time, costs and receive a description of the goods as well as compare prices. (Lu and Liu, 2012).

Online shopping is known as consumption process by which consumers satisfy purchasing demand and need via Internet. Online buying behavior can be considered as the activities of sellers sending goods and services to clients with the relevant of information flow, capital flow, logistics and other links with the assistance of the Internet. (He, 2004)

PwC (2014) has documented on online behavior aspect that consumers who demonstrate the concerning to shop via online store, mobile phone or tablet applications and social media pages to access online platforms. There is a significantly growing use of smartphones and tablets in making purchases. Because of using various devices at different occasions, business should be more concentrated on adapting and improving the consumer buying behavior.

Another definition is online buying behavior is considered as the preference to purchase items through social media pages. In there, consumers can follow the pages of their favorite brands, representative and further to communicate, comment about the experience and evaluation. (PwC, 2014).

The online buying behavior arises from the advantages and benefits of online channel such as shopping anytime and anywhere (24/7) that the Internet allows. (Kraff and Mantrala, 2006).

The findings of Levy and Weitz (2012) suggest that the online channel provides benefits not only in presenting a broad product range but also in making convenience and more personalized products and services information. Due to their wider product selection, consumers hold different options to consider compared with the restricted number of catalog pages or limited retail store size. Their aims were to present a better benefits of online buying behavior, which provides more timely information for solving problems and evaluating merchandise rather than only getting the specific product information. Thanks to approaching online buying behavior, companies have the ability to personalize product offerings economically to the consumer, for example, customers can use live chat to interact with a customer service assistant.

In comparison to offline buying behavior, the online behavior affects all the process of making decision because the Internet enhances the ease of searching and accessing information. (Sheth and Mittal, 2004). Alba (1997) emphasizes the flexibility and interactivity of online behavior to control and update products information.

## **2.2 Multiple channel distribution**

Single channel distribution with just one channel such as a brick-and-mortar store or an online store is not effective for business growth. Therefore, if a corporation wants to reach customers through more channels such as a physical store, online store, catalog, television advertisements or newspapers, which generally sell through various channels, this is called a multichannel distribution system. In particular, there are several definitions of multichannel from various academic authors, which will be shown below.

Wilson et al. (2008) define multichannel distribution as a method comprising if an online and offline channel to access customer of an organization through different routes, whereby the customer and the organization can interact together.

Multichannel retailing is claimed as a distribution system to reach more than one market segments by more than two marketing channels, according to Kotler and Armstrong (2013).

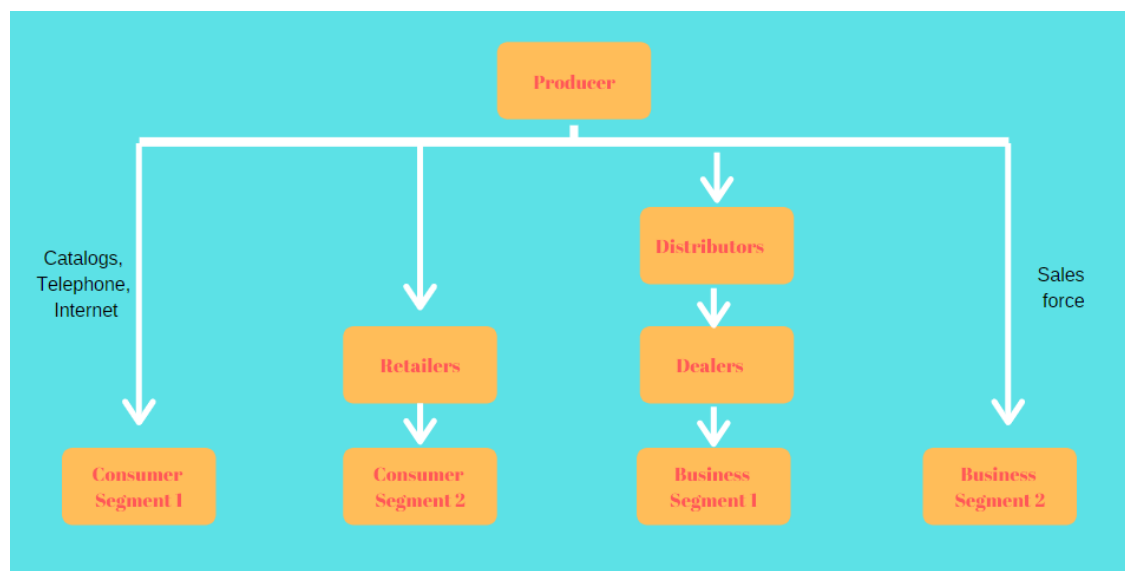
As for Sesame Mish (2017) interprets the multichannel concept as more than one marketing channel leveraged by the marketer to reach consumers. The showing disadvantage of single channel distribution demonstrates the advantage of multichannel distribution is that the door opens to many other avenues of getting in front of the consumer.

Madaan (2009) reveals that multichannel retailing is the term that is used when offering goods is applied via more than one channel, for example: kiosks, catalogs, online retailing or other channels based on the store format. In an agreement about this definition with the above-mentioned Arikan (2008) emphasizes that multichannel business interacts with the consumer by the way of telephone, store, and website.

In this regard, Poloian (2009) has emerged the multichannel concept in B2C marketing model, which has its purpose of transacting business with customers globally as the integration by store, direct marketing, direct selling, online and other electronic methods. As

reported by Krafft and Mantrala (2006), the definition of multichannel business as including all methods in which customer can connect with retailers and vice versa.

Having said that, each channel represents a different technique, hence merchants can choose through which channels they want to distribute products to customers. The consumer can buy goods from the company as they provide the direct way to them. At the same time, a consumer can also buy indirectly when the company provides another retailer or third-party to sell a product or service. There are different definitions about multichannel distribution, in order to easily understand it. Figure 1 was created based on the knowledge of Kotler and Armstrong (2013)



*Figure 1: Multichannel Distribution System Kotler and Armstrong (2013)*

### **2.3 Multichannel consumer behavior**

In order to understand the topic in this research, a brief discussion about multichannel consumer behavior in different authors' perspectives will firstly be presented. Poloian (2009) asserts that consumers can be viewed as multiple channel beings and demand significant harmonious experiences in all channels. For the purpose of understanding how a consumer behaves and accesses different channels, business needs to outline a channel chain. Poloian also determines that business needs to offer or appreciates channel mix retailers, and the most important thing is adopting a multichannel mindset when listening to consumers.



As can be seen in the modern business world, consumer behavior has rapidly changed with technology development and appearance of new channel options. Consequently, the multichannel consumer behavior could be different with others when seeking convenient and appealing channel options. Multi-channel consumer behavior is the trend for reaching the customers who want interaction 24/7. In line with this, consumers prefer to be served in the different channel with the same transaction.

Customers today know what they want to purchase and how to access several channels to buy products and services. They not only obtain the desired thing but also make complaints, reviews or returns a product through using many various channels. (Wilson et al, 2008)

By investigating the emerging issue in multi-channel consumer behavior, Chaffey (2011) highlights that consumers apply different media channels to choose suitable suppliers and then make purchases as well as boost customer support as a customer journey. Thus, the different types of channel should also be developed by companies.

More recently, the increasing number of smartphone usage is assisting businesses in enhancing multichannel distribution systems. The users can get the information which is derived from the store channel, website, mobile apps or social media across the purchase decision process and the information can be impacted and shaped customer preferences. (Brynjofsson et al, 2003)

### **2.3.1 Cross-channel behavior**

In the age of multimedia fragmentation and retailer change, the pressure challenge of firms is that they transact with consumers across multichannel which are brick and mortar stores, catalogs, kiosks, websites, etc. Such corporates are facing a more competitive environment in consumer experience namely cross-channel behavior. In order to understand clearly this situation, it is worth exploring the following definition.

Some studies focus on specific cross-channel behaviors for modern consumers, such as Wilson et al (2008) note that consumers can search the product information online but still they complete the purchase at a kiosk.

From the view of marketers, the cross-channel regarding “the act of beginning a communication, or buying cycle, on one channel and crossing into another channel to continue it there”. “Sale cycles that may be triggered on one channel may cross to another channel for consideration and to yet other channels for the transaction and post-purchase relationship”, Arikan (2008).

Using neutralization theory, Chui et al (2011) define cross-channel behavior for those who enters the store with information received from the online store, and then turning in a competitor’s physical store for purchasing. The same research argue that cross-channel behavior is using physical store of retailers for finding information but decide to make the purchase at competitor’s online store.

Commercial studies of Poloian (2009) report that the number of people researching information online and buying offline have increased every year. For specific, 64 percent of respondents in their studies adopt the behavior of searching online before shopping in other channels as well as 81 percent of higher income respondents would be done pre-purchase research before purchasing offline. The integration multiple channels allowing cross-channel movements of products, money, and information (cross channel strategy, order online/ pick up in store, order in-store and get the product delivered to home) create the relationship between browser and buyer.

Levy and Weitz (2009) refer that some channel cannibalizations would have appeared for the firms combining the offline and other channels. Nevertheless, depend on the effective integration, the combination may lead to the increasing share of wallet. The authors present the multiple channel shopping behavior of customers in the below figure:

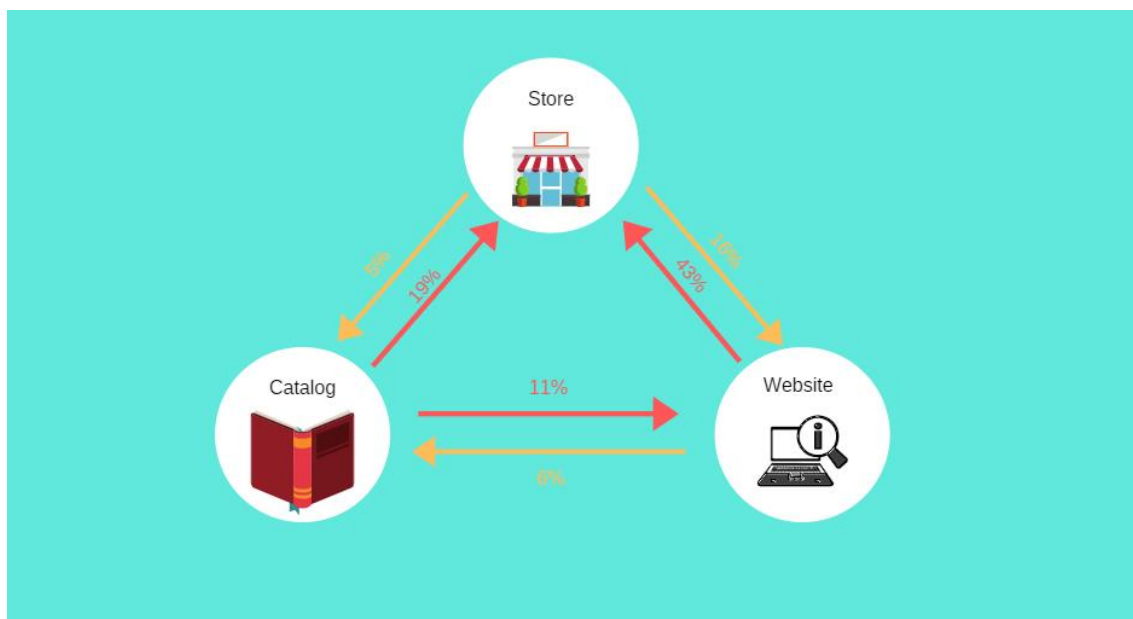


Figure 2: Percentage of the cross-channel shopper, Levy and Weitz (2009)

Figure 2 illustrates that the percentage of website browsers account for 43 percent compared with 19 percent of catalog browsers choose to do the shopping in the retailer's store. Looking at the orange line, 16 percent of store browsers are making the purchase in the website and only 5 percent of store browsers end up shopping through catalog channel. In this regard, there are fewer people choose catalog and website for the purpose of re-searching and purchasing rather than others. Thus, there are more purchases from the online and catalog channel to the store as well as the website receives more purchases from the store. (Levy and Weitz, 2009)

### 2.3.2 Price elasticity of demand

Price elasticity of demand is also known as price sensitivity. Price elasticity of demand can be defined as the consumer behavior which is impacted by the price of the product or service. (Investopedia). Customers are increasingly switching between channels when re-searching and making the purchase, with the vast majority of people is using at least two channels for comparing prices from different companies. (Wilson et al).

Arikan (2008) shows that the price elasticity of demand is one of the main reasons why customers reaching multiple distribution channels before making the purchase. Using multichannel assists consumers to get a better price for the same product from different retailers. For resolving these issues, retailers bring more opportunities to establish the

multichannel relationship through the way that customers perceive advantage services for the attractive customers and make them stay loyal.

## **2.4 The positive impact of multichannel distribution**

In this age of modern business world, multi-channel marketing is a fact of life. According to the recent researches today, the enterprises are using multiple channels so as to enhance the offering for customers whereby establishing the new competitive advantages to compete with a rival. The positive impacts of multichannel distributions are presented below:

### **2.4.1 Increasing Revenue**

Some researchers point out the highlight concerning the multi-channel distribution, which effects on the business of the firm. The first and foremost positive impact of expanding the business with new channels is increasing higher revenue. Levary and Mathieu (2000) illustrate the differences in profit of physical retail, e-retail and hybrid retail, and they conclude that there are several distinct competitive advantages of hybrid retailers in the marketplace. Yan, Wang, and Zhou (2010) figure out the same view, in which revenue will be boosted to both traditional and online channels. Having said that, multi-channel distribution makes the acceptance of customer's satisfaction with the overall purchasing experience. For instance, seeking new methods to attract new customers, retaining existing customers, establishing information architecture for marketing campaign and supply chain management. Applying multi-channel distribution offers organization valuable opportunities to enhance sales, according to Berman and Thelen (2004).

The reasons behind the increasing revenue of firms based on distribution channel are given by several authors. Primarily, Rosenbloom (2007) strongly expresses that the broader of customer selection thanks to the diversified portfolio distribution channel through the capability for offering goods to the market. While Friedman and Furey (1999) aptly state that apply several distributions, channels spread the variety of consumer segmentations. Rangaswamy and Bruggen (2005) absolutely agree that channel integration assists firm's exposures and offerings to the customers. Coelho, Easingwood, and Coelho (2003) claim that multi-channel distributions enable firm gain to approach more resources of market information and the better circumstance to rise the association between firms and the market. Sharma and Mehrotra (2007) emphasize the effort of giving different

tools in multiple channel strategies is improving brand awareness lead to the development of revenue and profit.

#### **2.4.2 Expanding Market Presence**

The second benefit of multi-channel distribution is allowing more target market segments to be reached. Levy and Weitz (2012) point out that benefits of multichannel are not only expanding into the chances of new sales but also increasing different marketplace whereby expanding brand recognition as well as market presence. Selling in multiple channels can lead to a specific segment, firms can focus on the large group of customers which is enjoying the products and services of firms in order to receive benefits and increase revenue. Multi-channel distribution helps company to clarify vision and have more direction when offering fully optimize the resources, time, and budget. As soon as customers identify the brand and customers feel like they are an advocate for companies' specific perspectives and needs, the customer will likely be more loyal, and they continue to stay in business over a longer period of time. With the success of targeting market segment, multi-channel distribution impacts on advertising, as well as customer experience, branding, and business operation.

#### **2.4.3 Reducing Business Risks**

Coelho, Easingwood (2003) state that the advantage of well-integrated multiple channel distribution format is that company has a chance to modify the business risks on the ground that the diversification of resource allocation could be expanded. For instance, the company can easily switch to other multi-channel distribution system or dispute products once a channel is not functioning, in a case using a multi-channel distribution strategy. Comparing with using single channel distribution strategy, it would be totally out of the order once the problem occurring.

#### **2.4.4 Increasing Customer Satisfaction and Loyalty**

Levy and Weitz (2012) claim that multichannel distribution has provided customer satisfaction. It is showed in this example, brick-and-mortar retailer can offer websites then customers can view more products rather than a plan before. Through these websites, the consumers can get the interested information lead to growth the share of customers' wallets.

Wallace, Giese, and Johnson (2004) explain that multichannel distribution can improve the customer-retailer loyalty, for example, it helps to increase diversification of the portfolio or service output from the retailers, so that making a remarkably positive influence on customer satisfaction.

#### 2.4.5 Building a Strategic Advantage

Multiple channel distribution can build a strategic advantage over single channel rivals by getting the consumer shopping purchase history and customer behavior's information as well as the unique knowledge for coordinating operational activities across channels. Furthermore, multichannel distribution can create an extensive amount of customer information whereby improving effectively target. Levy and Weitz (2012)

Berman and Thelen (2004) briefly summarize the advantages of various type of channels in this figure

Channel	Advantage
<b>Web</b>	<ul style="list-style-type: none"> <li>Can offer virtually unlimited space to describing an item</li> <li>Access to a global market and to markets without retail stores</li> <li>24/7 ordering capability</li> <li>Freedom from postage and catalog reproduction costs associated with catalogs</li> <li>Ability to verify shipping status without customer service personnel</li> <li>Integration of video and audio in the sales presentation</li> <li>Ability to easily compare offerings of merchants, prices, product features</li> <li>Ability to customize mailings to past and ongoing customers</li> <li>Enables disabled shoppers to browse and shop in a barrier-free environment</li> <li>Allows retailers to more effectively stock slow-selling merchandise</li> <li>Allows retailers to carry product lines not offered in stores</li> <li>Internet sites appeal to market segments that prefer Web-based shopping</li> <li>Utilizes automatic interface techniques: collaborative filtering, cookies, Web log analysis and real time</li> <li>Enables mass customization through visualization and questionnaire to consumers on their specific needs</li> <li>Enables prices to be easily and quickly changed</li> <li>Allows for automation of consumption, e.g. flowers sent same day each month</li> </ul>
<b>Store</b>	<ul style="list-style-type: none"> <li>Immediacy. Consumer can see item and take home on same trip</li> <li>There are no shipping costs for items taken home by shopper</li> <li>Ability to see, feel, try out, and test item as well as substitute items</li> <li>Interaction with store personnel</li> <li>Satisfies "shopping as a social activity", which other channels cannot</li> </ul>
<b>Catalog</b>	<ul style="list-style-type: none"> <li>Portability – catalog can be read on train, in waiting-rooms, etc.</li> <li>Long shelf life</li> <li>Control over color is better in catalog than on Web site</li> <li>Access to a global market and to markets without retail stores</li> <li>24/7 ordering capability</li> <li>Transferable and shareable among customers</li> <li>Satisfies more sensory needs (visual and smell) than Internet</li> </ul>
<b>Kiosk</b>	<ul style="list-style-type: none"> <li>Can reach consumers without Web access</li> <li>In-store kiosks can enable retailers to avoid lost sales due to out-of-stock situations</li> <li>High levels of video/audio quality</li> </ul>

*Figure 3: Unique advantages of specific channels. (Berman and Thelen 2004)*

## **2.5 The negative impact of multichannel distribution**

In order to compare with the bunch of positive impacts of multichannel distribution in a fast fashion industry, the drawbacks should be considered. Multi-channel distribution can produce several negative outcomes, namely channels confliction, customer confusion or lacking the ability to integrate these channels properly, less in customer loyalty or an increase in company's costs.

Channel confliction is figuring out in several pieces of researches which is one of the issues occurring in the market. Channel confliction affects businesses as the number of units competing for the same consumers frequently raised. Webb and Hogan (2002) indicate that the rank of the complication of the distribution system is raised by a multi-channel distribution strategy, and it leads to the chances for a dispute to happen between different channels within a corporation. Other studies argue that channel confliction occurs when a firm is simultaneous two roles, such as both a supplier and a competitor because of the boom of third-party logistics (Tsay and Agrawal- 2004). Yan, Wang, and Zhou (2010) claim that in the boom of the e-commerce era, numerous firms operate in brick-and-mortar business, and adapt online distribution channels, as a result, channel confliction occurs. It could be seen that there are majority of people watch confliction as a bad issue within a business. For instance, Baal and Dach (2005) thoughtfully warn in their research that the confliction of the internal channels within the multi-channel system which has raised from the reason of product promotion needs to decline or even withdraw. Nevertheless, other authors, Webb and Hogan (2005) approach in another side of confliction where conflict seems like a potential mechanism in the market, but it may reduce channel performance. According to the realistic circumstance about the retail business as well as the previous researches, conflict receives serious consideration when companies add online channels as the aspect in their distribution channel portfolio. In addition, channel confliction is the biggest challenge which can impact negatively by supply chain reconstruction and distribution partners.

A question concerns of the pitfall of multi-channel distribution, Coelho, Easingwood, (2003) state that the losses of the flexibility of company's strategies are considered as a

challenge. The inventory could keep at high level and put a strain on the company's resources and cash flow once using multichannel distribution in case products created on inventory demands rather than actual sales. The company interacts more with third-parties when using multi-channel distribution lead to lack of business control because wholesalers or retailer will focus on the commissions, discounts, promotions and other gimmicks that can damage company's brand.

James Girone (2002) analyzes the influence of multiple channels in terms of customer loyalty by using the Jupiter research. With the regard of the research, it shows nearly 20 percent of consumers are willing to purchase a new tool if they can receive a 10 percent saving. This situation results that the multi-channel purchasers are less loyal to a brand than other purchasers. It is possible for multi-channel shoppers to be a liability for companies when shoppers switch to other companies than other online shoppers, according to Reda (2003). Opposing with the above authors, Wallace, Giese, and Johnson (2004) claim that multiple channel enhances consumer-retailer loyalty because of helping in the growth diversification in service output's portfolio. Thus, it remarks the positive influence on customer satisfaction. On the other hand of issue where multi-channel distribution improves the profit of company, Coelho, Easingwood and Coelho (2003) highlight that multiple channel has made the decrease in terms of profitability and sales performance. They identify the reason because of the relationship between the company size and the number of distribution channels by some statistical value of result. Saunders (2002) believed in the negative effect on profit of multiple channels. Like a two side of a coin, if a company have increased their customer consumption, it could have been led to higher costs during company operation. Similarly, Hood (2002-2003) follows the customer experience tracking problems in case using the multi-channel distribution, the cost of gathering and finding data might also go up. As a consequence, the satisfaction of consumers could be more burdensome.



### **3 RESEARCH METHODOLOGY**

Research is an original investigation executed which adds to the current knowledge and awareness in a certain discipline. Research is further described as a creative activity for the purpose of contributing to the creation of new knowledge, which could be the facts, the interpretation of those facts, the theories have not used before in the specific field. Myers (2009).

According to Myers (2009), the best approach to show the reliable and original research work is that the findings of the result are scrutinized by experts in the particular discipline. Further process of scrutinizing if these experts indicate that the conclusions show the new aspects or genuine to them, then the result could not only become an original contribution to the knowledge but also admit the research as a reliable one. Any research work must be executed with the appropriate research methodology due to the reliability and dependability of the research finding.

This chapter explains the applied research methodology framework and consists of the research strategy methodology approach followed by the data collection, the validity, and reliability of this study, data reporting and analysis are discussed.

#### **3.1 Research strategy**

Ridder (2012) point out that there are five basic research strategies in social science which are experiments, surveys, archival analysis, case studies, and histories. Based on a different kinds of research study and the purposes of usage, suitable strategies could be conducted. In this thesis, the main purpose is examining the influence of multiple channel distribution on the consumer buying behavior of fast fashion companies. Therefore, the survey is mostly selected for evaluating the results. Additionally, related to the influences of multiple channel distribution in revenue, the study will compare the income and profit of fast fashion companies based on the annual report for five years.

#### **3.2 Methodological Approach**

The selected research approaches for this study are a quantitative research approach and a qualitative research approach. Quantitative is defined as inductive whereas qualitative is deductive. (Frankel & Devers, 2000). Crowther & Lancaster (2009) agree that inductive

research approach relates to the interpretivism, in contrast, deductive research approach follows the positivist paradigm. The qualitative methodology can give the result of statistical analysis and interpretation while qualitative methodology states texts, images, data collected from an observation or an interview.

Bryman and Bell (2011) describe the quantitative research approach as the study tactic in that the emphasis of words account for the higher percentage than statistic figure and it could be delivered concepts out of collecting data. Neili (2007) explains that quantitative research involves a survey, a sample, and a questionnaire for the purpose of gathering statistics which must be in countable or uncountable value. Through using a wide range of methods from mathematical and statistical methods to analyze data and then change uncountable value into a numerical value, to sum up the final research. The crucial aspect of quantitative research is the association between variable and participant of the research.

Bryman and Bell (2011) assume that the detailed account during the investigation can gain from the setting process based on a qualitative research approach. Hair et al. (2006) state that qualitative research provides insights into the issue or helps to develop ideas, thoughts, and opinions of the interviewed persons. Qualitative data collection methods vary using unstructured or semi-structured techniques and hypotheses for potential quantitative research. A qualitative research approach was chosen in this thesis related to the purpose of the study questions. This research is adopted a qualitative research approach aiming at exploring the influence of multichannel of fast fashion companies and finding out the information regarding solutions. This solution should be chosen in terms of fast fashion companies' perspective in order to overcome the negative influences of multiple channels.

### **3.3 Data Collection**

Data collection might be defined as the method for the purpose of gathering empirical research data and information. There are six common techniques used for data collection, which are questionnaires, observation, interviews, focus groups, tests, and secondary data. (Teddlie & Tashakkori, 2003). According to Dhawan (2010), there are two types of data, namely the primary data and secondary data in which primary data are information collected specifically by the researcher from first-hand sources, thus occur to be original

in nature. On the other hand, secondary data are those data gathered from studies, articles, experiment that have been run by other people or other research.

In collecting primary data, I am using a questionnaire and an interview. The questionnaire contains twenty-one questions including screener questions, categorical questions and investigation questions for the purpose of gaining the basic information of the respondent's gender, age range, nationality, and geography. Then each of the remaining questions present a factor leading to consumer buying behavior. There are 254 answers to the survey from those who have purchased products of fast fashion companies through single and multiple channel distributions. The interviews are targeted at people so as to emphasize the impact of multiple channel distributions in a transparent way of conducting research to achieve more specific information.

In the case of secondary data, I reviewed a number of books, articles, and related theories. In addition, annual reports, a financial website ([www.marketwatch.com](http://www.marketwatch.com)) of main fast fashion companies (H&M Group, Inditex, Esprit, ASOS, Boohoo) were used to boost the financial performance. The first three firms distributed their products via multiple channel distributions, comprising at physical stores and online platform whereas the last two firm uses a single channel distribution namely e-commerce. The firms were chosen because they are pioneering firms in the industry in which the multiple channel distribution companies are long-standing. H&M Group was established in 1947, Inditex was started in the textile industry in 1963 and Uniqlo founded in 1949. The e-commerce companies on the other hand, are quite young. After three to four decades later, ASOS was released in 2000 while Boohoo was launched in 2006 and Zalando was started its business in 2008.

### **3.4 Validity and reliability**

Ghauri & Gronhaug (2002) simply illustrate the reliability as the consistency of the measurement. While validity is defined as the accuracy of the measurement using in the research. Validity and reliability are important aspects for all the scientific research through evaluating and testing the quality of research. By the way of observing the strengths and weaknesses of the research, the credibility of the study can be improved.

The validity refers to the truth in the research through the measure and the interpretation of collected data (Saunders, 2009). The validity has been enhanced via three key aspects:

building comprehensive literature frameworks in order to ensure the most relevant direction; designing questionnaire with clear understanding in order to reach the right areas of respondents; ensuring the connection between the questions and objective of research. The reliability is defined as utilization methods by which consistent responses (Saunders, 2009). The reliability in this research was certified by a quantitative methodology and qualitative methodology which contained the element of subjectivity for giving the viewpoint of participants when doing analysis and continuing to check with information and revising frameworks. The validity and reliability of this research are based on the fact of clear objectives from beginning and successful outcome from ending which is aligned with the original purpose.

Designing the questionnaire involves much more than just choosing what questions to ask. Hence, the questions in the online survey were set in the key to keep it short while ensuring that the needed information was captured. Additionally, these questions present in the easy way to understand without a difference for respondents and it is ensured that there is no misunderstanding in the language and translation. The online survey questions are based on the respondents' perspective without any preference words lead to specific answers. Online questionnaire is ensured that the respondents will answer these questions without any impacts. Furthermore, the content of the online survey is based on the study problem, the literature review and the theoretical section for this research. The sample group is generally selected at random to make sure that the results showing the influence of buying behavior of all customers. The list of key questions for the online survey are available in the Appendix (Appendix 2).

The interview questions are designed to explain and clarify the detail information in consumers' perspective when needed. Semi-structured interviews were selected as the method for interview with consumers, in which the semi-structured format allows to concentrate on the core areas of interest thanks to the flow and discovery of discussion. I interviewed eight participants who are interesting with the multiple channel knowledge. I recorded and analyzed the interviews with consumers because writing note at that time might affect the informal mood of the interview, and records encourage them from speaking freely. Furthermore, the body language and facial impressions of interviewees are noted as an extra analysis and I will ask approval for comments and quotes to allow a more open

discussion. It was agreed with the interviewees and supervisor that the interview's transcripts will not be published. The list of core questions for the special consumers are available in the Appendix (Appendix 1).

In order to avoid the threat to validity and reliability in the interviews, I have asked the chosen time that is most suitable for interviewees and guarantee that all of interviews are conducted in a private and comfortable space. In addition, I have prepared for the interviews thoroughly to eliminate the error by sharing comprehensive information about the interview's confidentiality and personal views disclosed in them. For the purpose of gathering interviewees' opinion, I have paid special attention to the core information and open discussion and have avoided writing notes in an objective manner.

The supervisor of research also reviewed the questions for ensuring that all questions were relevant in order to find the right solution. There has been complete transparency toward the topics, therefore, the thesis can be seen as trustworthy because the researcher beliefs that the study has written honestly and integrity.

## 4 EMPIRICAL FINDINGS

In this chapter, the empirical findings are shown and analyzed. The key value of this empirical study is finding out the effectiveness of factors on buying behavior with multiple distribution channels. This chapter will show the analysis from the real data of the survey and the finding from the annual reports. Since the mix methodologies are applied, the empirical findings are demonstrated in three parts. The first part of the study starts with the basic information of the online survey participants, followed by the second section with analyzing the results of questionnaires and the third part is the analysis of variables related to the study via the financial statement of the annual reports of fast fashion companies.

The literature, theories and the program Statistical Package for Social Science (SPSS) and Microsoft Excel have been used for the calculation and measurement for the output and analysis. Data and findings are based on the themes specified in the measuring instrument and interviewing schedule for the quantitative and qualitative methods of the research topic respectively. Moreover, the collected data from the online survey will be used for the study purpose only and not contain any personal information such as names, phone numbers or email addresses. For the secondary data for the financial research comes from the website of the companies and the sources are cited in the references of the paper.

### 4.1 Basic information of the respondents from the online survey.

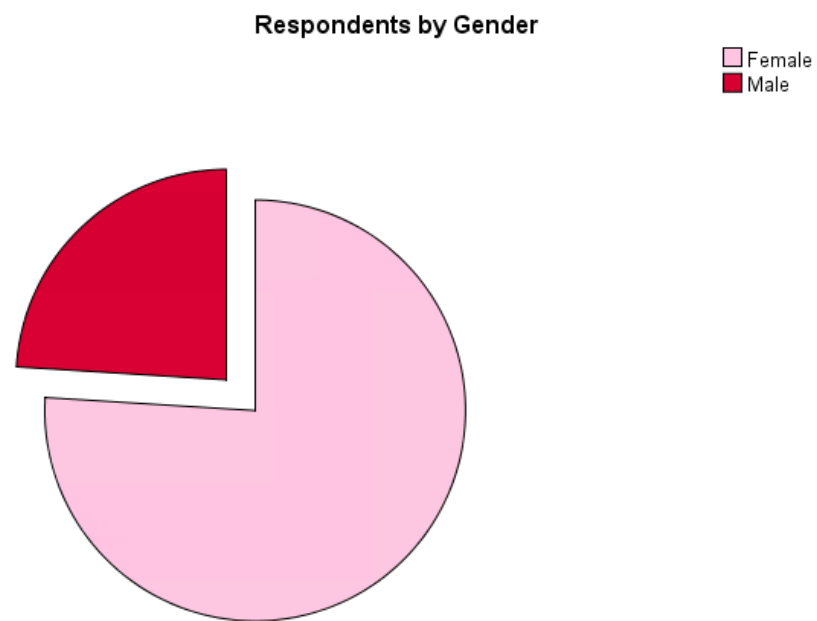
Figure 4 was created to illustrate the demographic characteristics of the sample gathered from the online questionnaire. There are 254 participants by gender, age, nationality, geography, and employment status.

Statistics		
Respondents		
N	Valid	254
	Missing	0

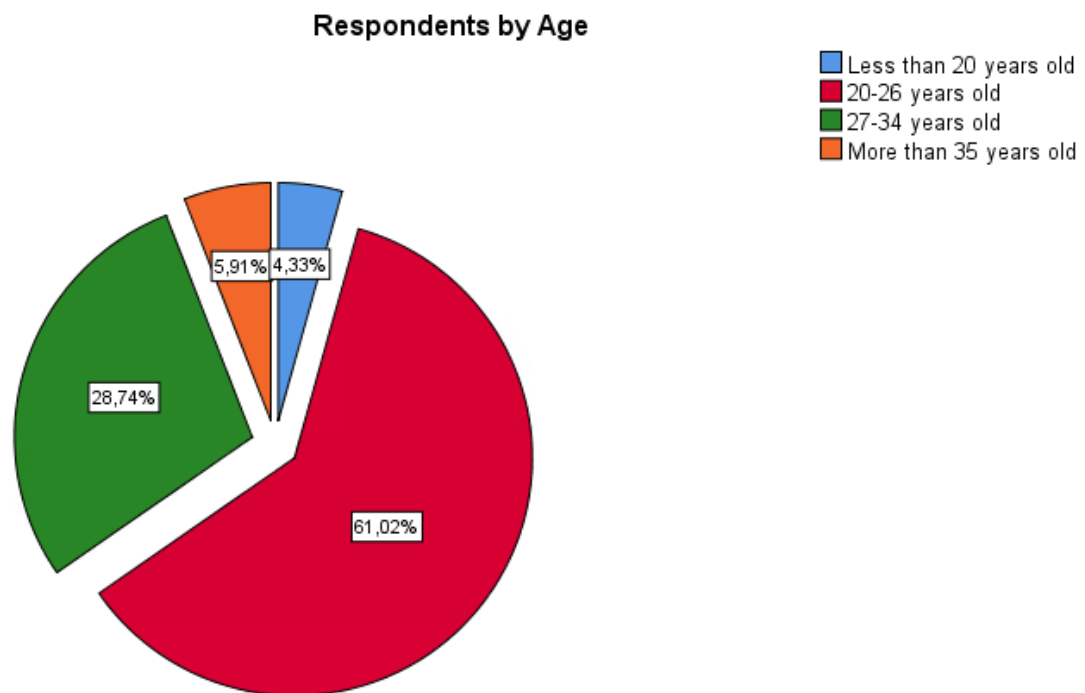
*Figure 4: Survey respondents. (2019)*

Generally, out of 254 respondents, 193 are female and 61 are male. As this study seems to be more attractive to females than males.

Respondents by Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	193	76,0	76,0	76,0
	Male	61	24,0	24,0	100,0
	Total	254	100,0	100,0	



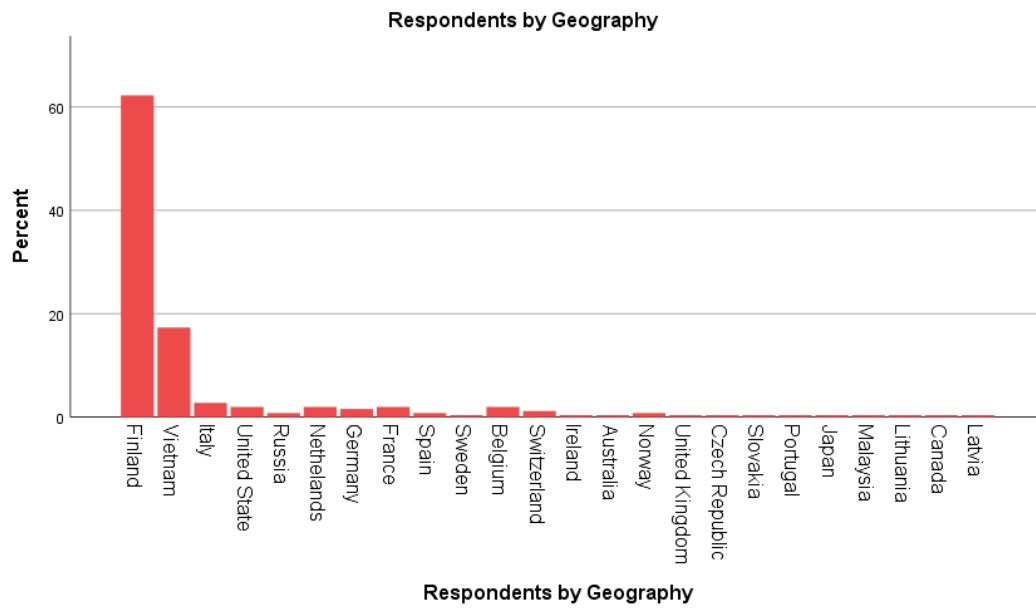
*Figure 5: Online survey respondents by Gender. (2019)*



*Figure 6: Online survey respondents by Age. (2019)*

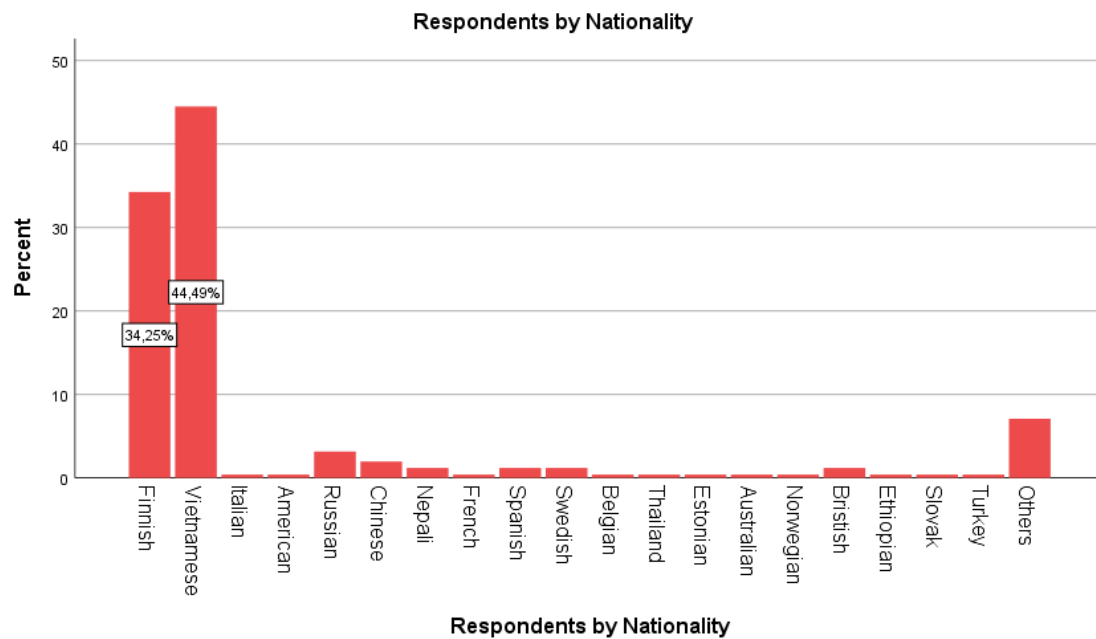
It can be seen from the Figure 6 that 61.02% of the respondents belong to the age group of 20-26 years old while 26.74% of the participants belong to the age group of 27-34 years old, 5.91% of the respondents belong to the age groups of more than 35 years old and the age group of fewer than 20 years old is accounted for 4.33%. Having said that the age group of participants from 20 to 26 years old is more interested in active fashion shopping by using different channels when it has the highest percentage in the online survey.





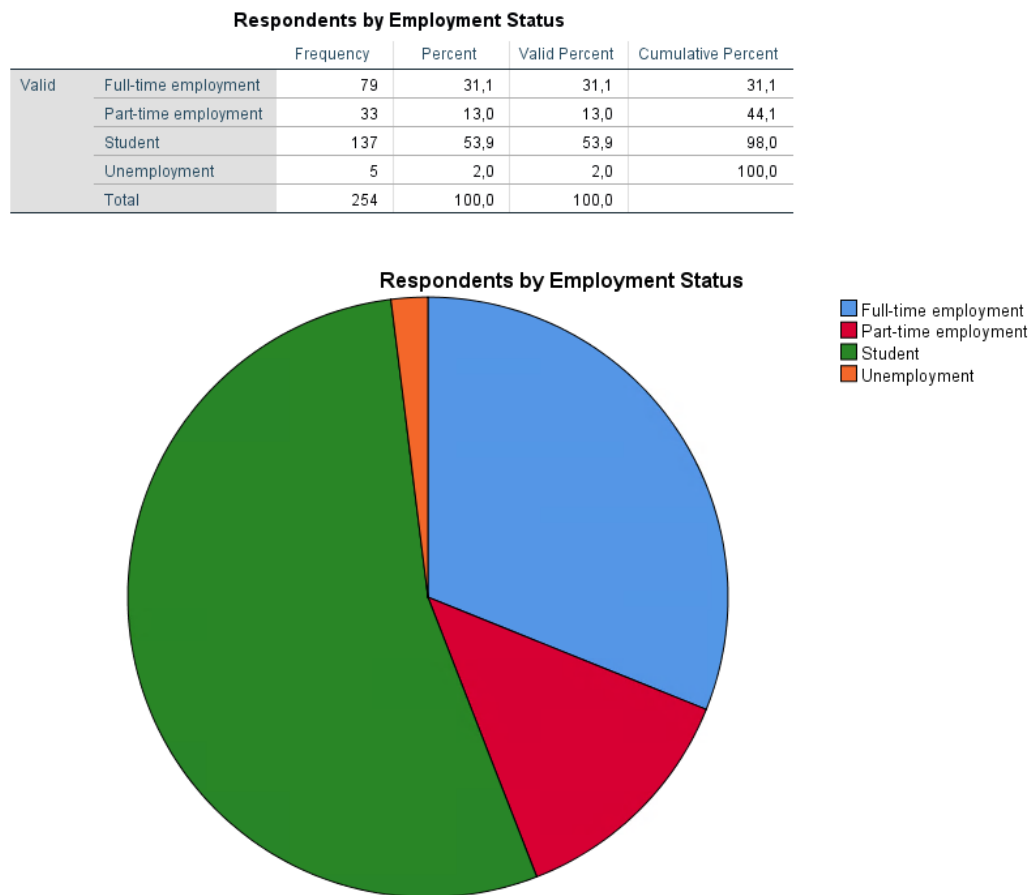
*Figure 7: Online survey respondents by Geography. (2019)*

Figure 7 states that there can be more supportive for this study because of the number of people around the world. Based on the geography, there are 24 places of residence collected from the respondent, however, most of the participants are currently living in Finland and Vietnam.



*Figure 8: Online survey respondents in Nationality. (2019)*

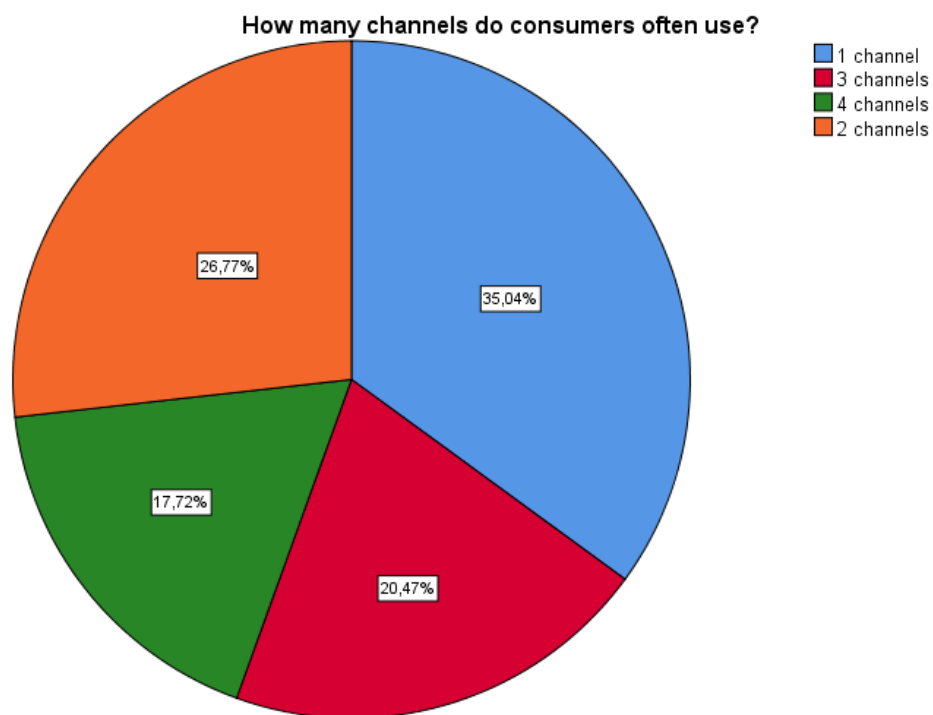
As can be seen from the Figure 8 that there are 32 nationalities participated in an online survey and the main nationalities are in Europe and Asian. This variety of nationality creates the specific evaluation for consumers living in these continents. Most of respondents are Vietnamese and Finnish.



*Figure 9: Online survey respondents by Employment Status. (2019)*

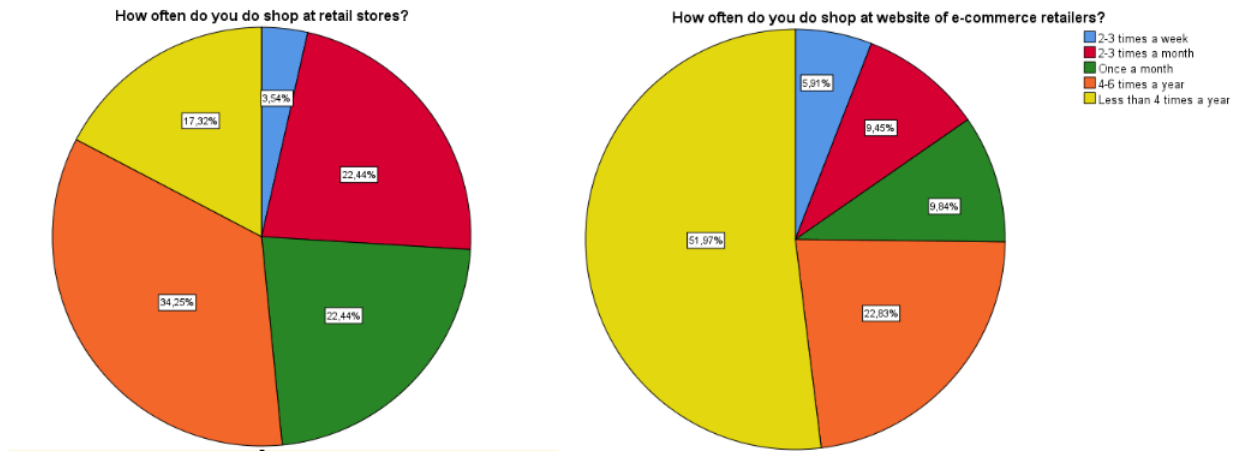
Figure 9 shows that out of the 254 respondents, 79 of them have full-time job, 33 persons have a part-time job, 137 participants are students and 5 persons report that they are unemployed.

#### 4.2 Consumer Buying Behavior Related to Multiple Channel Distribution.



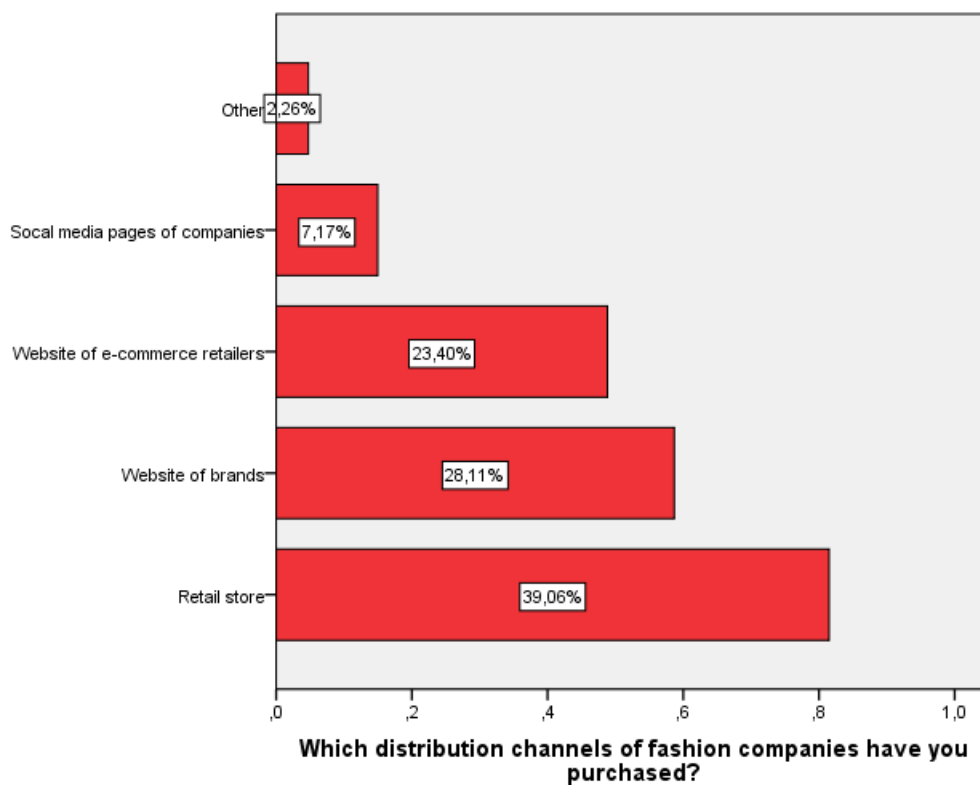
*Figure 10: How many channels do consumers often use? (2019)*

Figure 10 illustrates the consumers' responses to the question of how many channels they often use for fast fashion products. More than three-quarters (65%) of online respondents often purchase fast fashion services through more than two channels, in which approximately 35% of customers report using only one channel, more than a third of participants frequently shop at least three channels and four channels.



*Figure 11: How often do consumers shop at retail stores and website of e-commerce retailers? (2019)*

It can be seen from the Figure 11 the evaluation of respondents regarding the frequency for shopping at retail stores such as H&M, Zara or Uniqlo compare with e-commercial retailers such as ASOS, Boohoo.com or Zalando. For the option of less than four times per year, there are 17.32% answers which respond that they have purchased fast fashion products at retail store whereas more than 50% of consumers shop at website of e-commerce retailers. Having said that participants select retail store as the first option to shop at rather than e-commercial website within a year. Moreover, consumers participating in the survey respond that they prefer shopping at retailers.



*Figure 12: Which distribution channels of fast fashion companies have consumer purchased? Prepared by the researcher (2019)*

Figure 12 gives more detailed information about the distribution channels of fast fashion companies which consumers would like to shop at. Surprisingly, consumers prefer shopping the retail stores and website of fast fashion brand more than e-commerce retailers and social media pages.

\$Rank Frequencies				
Rank <sup>a</sup>		Responses		Percent of Cases
		N	Percent	
	Retail stores	154	63,1%	67,0%
	Website of brands	51	20,9%	22,2%
	Website of e-commerce retailers	27	11,1%	11,7%
	Social media pages of companies	12	4,9%	5,2%
Total		244	100,0%	106,1%

*Figure 13: Rank the channel's position in consumer preference for shopping. (2019)*

Combination with the answer of Figure 12, Figure 13 demonstrates that most consumers prioritize retail store as the first choice for shopping and the second rank is the website of brands, at 20.9%. At first glance in the percentage of cases, it is clear that a large number

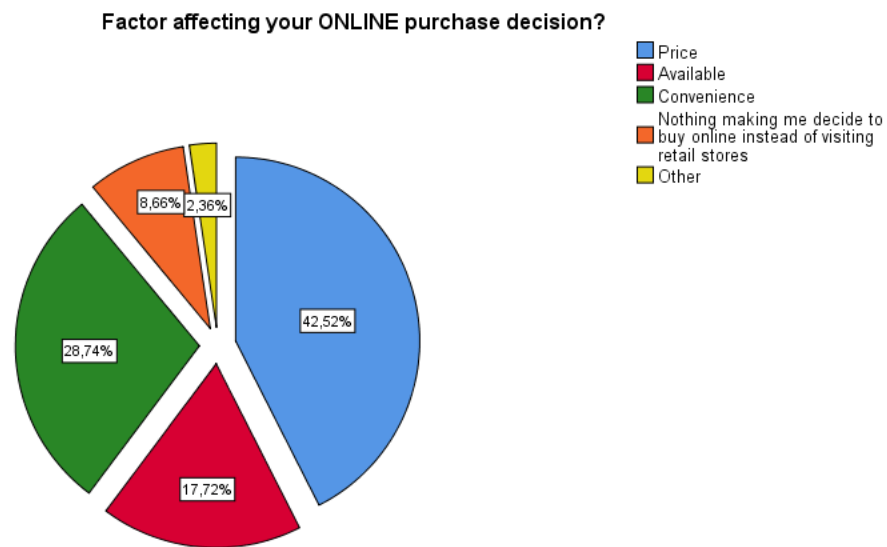
of people using the services of fast fashion companies, namely retail stores and website of brands with 67% and 22% respectively. The percentage of those choosing to shop at the website of e-commerce retailers was 11%. However, interestingly, only a small minority, approximately 5% of respondents select social media pages of fast fashion companies.

		Responses		Percent of Cases
		N	Percent	
How to searching information <sup>a</sup>	Research products online before visiting retail stores to purchase	179	43,1%	70,5%
	Use smartphones in the store to look up information	98	23,6%	38,6%
	Ask a sale associate for help at stores	85	20,5%	33,5%
	Ask an online customer service associate for help	20	4,8%	7,9%
	Other	33	8,0%	13,0%
Total		415	100,0%	163,4%

*Figure 14: How do consumers search for fashion products' information? (2019)*

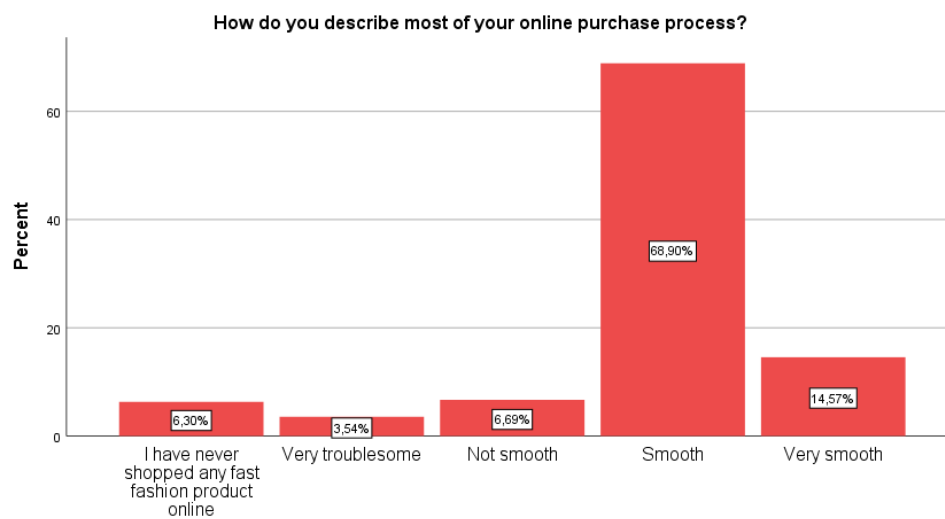
Figure 14 shows the sources of the consumer when searching for products information. Asking an online customer service associate is no longer a popular way of assist once that responses seek for (7.9%). Another large major factor selected within the survey answers were to research information online before visiting the retail stores to purchase. Seven out of ten respondents support the reasons mentioned above. As can be seen from the Figure 14, using smartphones to look up information and asking the sale associate for help at the store are selected as the most common answers accounting for 38.6% and 33.5% respectively.

**→ For all of the findings mentioned, it is possible to conclude that there are positive impacts of multi-channel distribution on customer attraction and brand awareness.**



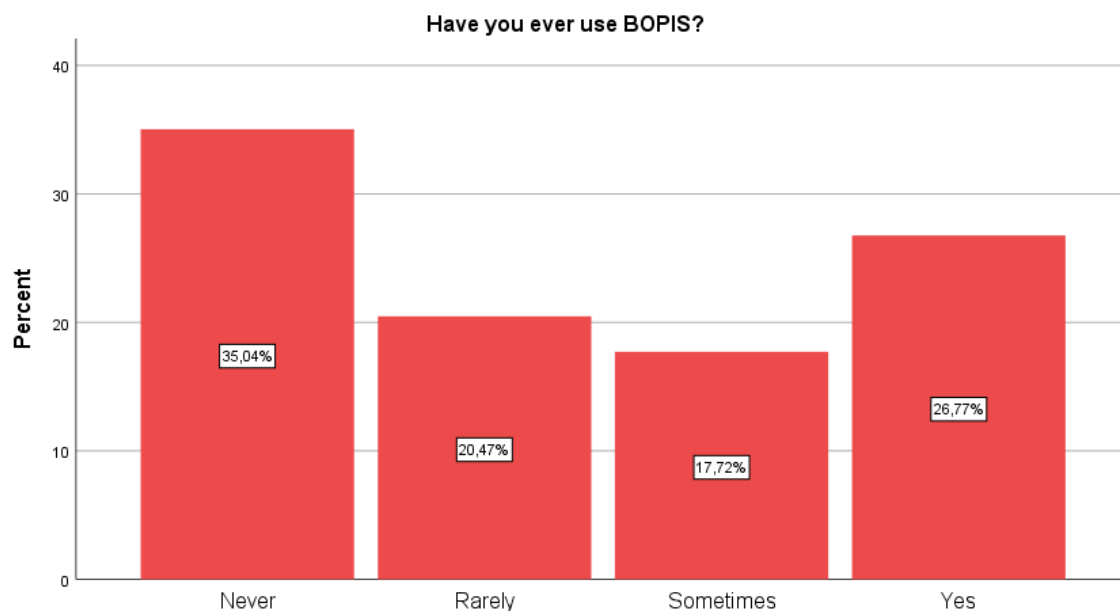
*Figure 15: Factors affecting consumers in online purchase decision? (2019)*

Figure 15 shows the factors which impact on online purchasing decisions in percentages for consumers in 2019. Overall, it is anticipated that price is described as the highest percentage and the most influential decision driver with nearly half of the respondents considering it as one of the top five factors for selecting a product or service (42.52%). Having said that consumers who are affected by price are also concerned about product quality and durability. According to the information, a lower number of people choose convenience and available with 28.74% and 17.72% respectively. Price will always be a crucial factor in shopping decisions, and it has some impact on every shopper, however, new end-users reveal that drivers such as convenience or available are quite important to huge proportions of shoppers.



*Figure 16: How do consumers describe most of their online purchase processes? (2019)*

Figure 16 illustrates the description of the online purchase process in percentage. The majority of people (68.90%) describe their shopping online purchase process as smooth while 3.54% of people are showed little effect in the process.

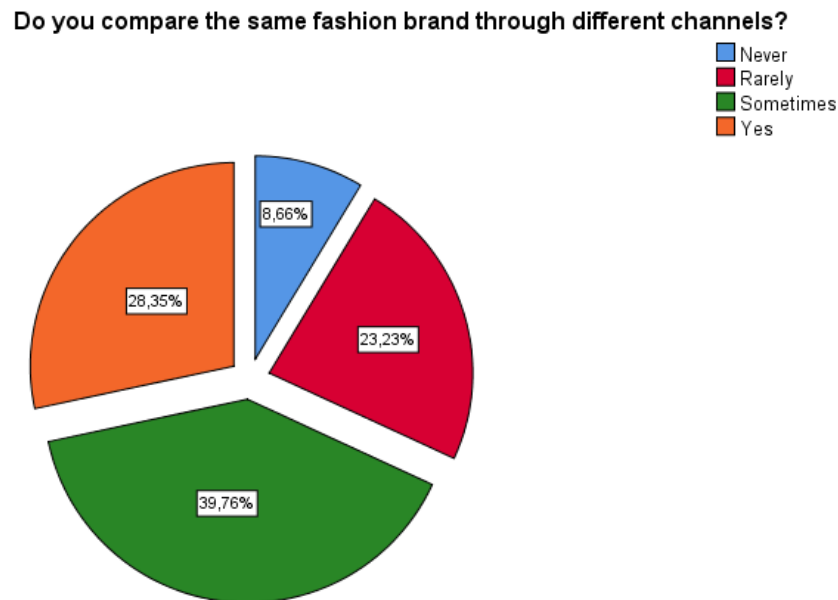


*Figure 17: Have consumers ever use Buy Online Pick-up In-Store option? Prepared by the researchers (2019).*

It can be seen from the result of Figure 17 that BOPIS (Buy Online Pick-up In-Store) option is evaluated as the not a common option for consumers for buying fashion products. 35.04% of people from online survey report that they have not used this choice, as



well as 20.47% out of the total have rarely used BOPIS because of its inconvenience. However, still 26.77% of the participants have had a chance to use this option before and 17.72% of the respondents have sometimes used this option.



*Figure 18: Do consumers compare the same fashion brand through different channels?*

*Prepare by the researchers (2019)*

Figure 18 shows the comparison between different channels in fashion purchases in 2019. For four of the sectors, it is evident that over this time frame there are significant differences in their proportion of online transactions. At 39.76% we can see that “sometimes” sector accounts for the majority of frequency and 28.35% of the respondents report that they always compare the price and quality for different brands and different channels before making the purchase decision. Similarity, the figure of 23.23% of the total represents that they rarely compare their purchased fashion products.

		Responses		Percent of Cases
		N	Percent	
Product type <sup>a</sup>	Clothes	142	37,0%	55,9%
	Shoes	87	22,7%	34,3%
	Accessories	96	25,0%	37,8%
	I do not prefer to shop any fashion product online	59	15,4%	23,2%
Total		384	100,0%	151,2%

*Figure 19: Which product type do consumers prefer to purchase online than physical stores? Prepared by the researcher (2019)*

Figure 19 gives information on the different kind of fashion products which the customers usually bought based on their buying experiences. Clothes are clearly the market leader with 55.9% of all the responses. In contrast, 23.2% of the total responses show that they have never bought any product online.

Interviewees	Benefits from the multi-channel	Reasons
<b>Female</b>	Yes	Quality, reputation, smooth
<b>Female</b>	Yes	Fast, convenience
<b>Female</b>	Yes	Prefer retail stores
<b>Female</b>	Yes	Convenience, quality
<b>Female</b>	No	Fast fashion products affect environment
<b>Female</b>	Yes	Saving time and money
<b>Male</b>	Yes	Saving time for shopping
<b>Male</b>	No	No interesting at shopping

*Table 1: Main result from the interviews. Prepared by the researcher (2019)*

Table 1 is collected according to the interviews' records with six females and two males. This table gives the general information about the benefits of multi-channel distribution receiving on their previous buying experiences and given reasons. There are several reasons such as quality of fast fashion products, reputation of fast fashion companies, the convenience of process, and the time, money saving. On the other hand, one person is not interested in the fast fashion companies due to the influences of its products to environment whereas there is no interesting at shopping for another one.

→ A combination between the online survey and the interview results, the conclusion is that multiple channel distribution enhances consumer buying behavior of fast fashion companies.

### 4.3 Financial Performance Related to Multiple Channel Distribution

According to the secondary information from the annual reports of the two main company groups which are fast fashion companies and fast fashion e-commerce retailers, the evaluation of financial performance was presented in this section. The fast fashion companies have used several channels to purchase fashion products and service whereas e-commerce retailers mainly have used a single channel for shopping. The annual reports were collected from the pioneering companies in the fast fashion industry during the latest five years from 2014 to 2018.

#### 4.3.1 Fast Fashion Retailers

According to Solomon (2009), fast fashion is a concept to express clothing collections followed the latest fashion trends. In the context of fast fashion companies, the life cycles of products and processes are shorter than the garment history of clothing. However, it allows companies to grow faster and make industry different and unique compared with others. Basically, fast fashion companies copy the trends from the luxury fashion brands and switch into cheaply goods for huge audiences (Macchiona, 2015). There are three key fast fashion companies namely Inditex, H&M Group, and Uniqlo, which will be used in this research.

Inditex is one of the biggest fashion retailers in the world with eight unique brands operating in 202 markets by using an online platform as well as 7,000 physical stores in 96 markets. They are bringing sustainability to all areas of the business model and offering customers the fast fashion products in an ethical and responsible manner.

	2014	2015	2016	2017	2018
<b>Sales (billions of euros)</b>	18.117	20.900	23.311	25.336	N/A
<b>Sales Growth Rate</b>	8.33%	15.36%	11.54%	8.69%	N/A

<b>Net Profit (billions of euros)</b>	2.510	2.882	3.161	3.372	N/A
<b>Net Profit Growth Rate</b>	5.37%	14.82%	9.86%	6.68%	N/A

*Table 2: Financial Summary of Inditex (2014-2018). Prepared by the researcher (2019).*

H&M Group is the second- largest global clothing retailer, which is a Swedish multinational company including nine distinct brands for different generations. With the purpose of inspiring customer experiences, H&M engages in physical stores, online, in social media and other creative places. H&M operates over 4,500 stores in 62 countries as well as has online presence in 33 countries.

	2014	2015	2016	2017	2018
<b>Sales (billions of euros)</b>	14.369	17.164	18.246	18.980	19.963
<b>Sales Growth Rate</b>	17.77%	19.45%	6.30%	4.02%	5.18%
<b>Net Profit (billions of euros)</b>	1.896	1.983	1.769	1.535	1.201
<b>Net Income Growth Rate</b>	16.89%	4.59%	-10.79%	-13.23%	-21.76%

*Table 3: Financial Summary of H&M (2014-2018). Prepared by the researcher (2019).*

UNIQLO is the third largest manufacturer and retailer in the world with multiple fashion brands in 21 countries and regions. Their main segmentations are Greater China and Southeast Asia where the key issue to transform the apparel retail industry into a new digital consumer retail industry through the technology linked in their own supply chain management, thereby reducing the influence in environment and leading to a more sustainable society.

	2014	2015	2016	2017	2018
<b>Sales (billions of euros)</b>	10.862	13.207	14.031	14.623	16.859

<b>Sales Growth Rate</b>	21.00%	21.59%	6.24%	4.22%	15.29%
<b>Net Profit (billions of euros)</b>	0.868	1.060	0.775	1.667	1.396
<b>Net Profit Growth Rate</b>	11.00%	22.12%	-26.89%	115.1%	-16.26%

*Table 4: Financial Summary of UNIQLO (2014-2018). Prepared by the researcher (2019).*

#### **4.3.2 Fast Fashion E-commerce Retailers**

Electronic commerce (e-commerce) commonly refers to selling or buying of goods or services through an electronic system like the Internet, and so replacing the previous physical transaction of business. This provides the chance to create a connection between a physical store and customers into a virtual contact despite the limited time and geography (ecommerce-platforms.com). There exist three main e-commerce retailers in fast fashion industry which are ASOS, Boohoo.com, and Zalando, and they will be analyzed in this research.

ASOS plc is a UK-based online fashion retailer, which was launched in 2000. ASOS is aimed at a young fast fashion retailer. The company offers online fashion in 200 countries with the main markets in the United Kingdom, the United States and Europe. The key business model is focusing not only the customers' experience but also ASOS experience through creating and sharing fashion products.

	2014	2015	2016	2017	2018
<b>Sales (millions of euros)</b>	1.134	1.329	1.680	2.236	2.810
<b>Sales Growth Rate</b>	26.85%	17.20%	26.41%	33.10%	25.67%
<b>Net Profit (billions of euros)</b>	0.0425	0.0477	0.0404	0.0745	0.0958
<b>Net Profit Growth Rate</b>	-11.24%	12.24%	-15.30%	84.41%	28.59%

*Table 5: Financial Summary of ASOS (2014-2018). Prepared by the researcher (2019).*

Boohoo.com is a British online fast fashion retailer found in 2006. It is an innovative brand targeting young, value-oriented customers. They specialize in brand fashion clothing with over 36,000 products and the key strategy is to be the young person's fashion best friend through offering the latest fashion with great quality and excellent service at incredible prices

	2014	2015	2016	2017	2018
<b>Sales (millions of euros)</b>	0.128	0.163	0.227	0.342	0.674
<b>Sales Growth Rate</b>	27.58%	39.26%	50.66%	33.10%	97.07%
<b>Net Profit (euros)</b>	9.795	9.772	14.452	26.648	41.822
<b>Net Profit Growth Rate</b>	0.00%	0.23%	47.89%	84.41%	56.94%

*Table 6: Financial Summary of BOOHOO.COM (2014-2018). Prepared by the researcher (2019).*

Zalando is the leading European e-commerce platform for fashion, it was established in 2008 in Germany and since it has started operating in 15 European markets with more than 23 million active customers and 2,000 brands. The core values of Zalando are inspiration, innovation, and interaction with the aim of finding digital solutions for customers, partners and every valuable player in the Zalando story.

	2014	2015	2016	2017	2018
<b>Sales (millions of euros)</b>	2.214	2.958	3.639	4.489	5.388
<b>Sales Growth Rate</b>	25.66%	33.60%	23.02%	23.35%	20.03%
<b>Net Profit (millions of euros)</b>	62.4	89.6	207.0	187.6	119.2
<b>Net Profit Growth Rate</b>	153%	43.59%	131%	-9.37%	-36.46%

*Table 7: Financial Summary of Zalando (2014-2018). Prepared by the researcher (2019)*

→ This finding assists to explain why the multi-channel distribution has negative effects on profits growth rate.

#### **4.4 Hypothesis Conclusion**

Based on the 4.1 section, it can be concluded that multi-channel distribution has a positive impact on customer buying behavior of fast fashion companies. **Therefore, the hypothesis is approved.**

Based on the 4.2 section, the conclusion can be defined that multi-channel distribution has a positive impact on brand awareness and customer attraction of fast fashion companies. **Therefore, the hypothesis is approved.**

Based on the 4.3 section, multi-channel distribution has a negative impact on profits growth rate and sales growth rate of fast fashion companies. **Therefore, the hypothesis is rejected.**

## 5 DISCUSSION AND ANALYSIS

This chapter looks at the detailed discussion and analyse the results of the research questions and final conclusion for the hypothesis, which is divided into three main parts namely the influences of multi-channel distribution on consumer buying behavior, on brand awareness and profits growth rate of fast fashion companies.

### 5.1 Influence of Multi-channel distribution on Brand Awareness and Customer Attraction of Fast Fashion Companies

There are perpetual mutations between marketing channel structure and retailing sector (Verhoef, Kannan, & Inman, 2015; Zhangetal., 2010) Increasingly, leading manufacturers have traditionally relied on offline retailers, and they are expanding their own direct online channels to better connect with market coverage and consumers due to the development of the Internet in fast fashion industry. As a result, the operations of fast fashion companies are selling products or services through offline channels as well as their own websites or social media pages. These multiple channels are believed to primarily help them to attract consumers and enhance brand awareness. As mentioned above in the findings and analysis chapter, two-thirds (65%) of responses and most of the interviewees agreed that they frequently purchase fast fashion products via at least two channels and more than a third of the responds shop via at least more than three channels. Based on these numbers and interview information, it is undeniable that multi-channel distributions enhance exposure to fast fashion brands, and this helps to attract more customers. The interviewees shared that the reputation of fast fashion companies could be realized through different channels such as brand website, social media pages, catalog or physical stores. As a researcher I found some similar conclusion as the survey. Friedman and Furey (1999) claim that companies can reach a wider range of customers through the helping of many distribution channels. While Rangaswamy and Bruggen (2005) state that applying multiple channels strongly improves the exposure of an organization and its offering to consumers. Surprisingly, this argument is also suitable and true after a decade has passed.

There exist ample shreds of evidences based on the results of the online survey and the answers of interviewees in the ability of multi-channel distributions to attract customer of fast fashion companies. The survey outcome indicates that shoppers prefer to make a purchase at a retailer store of fast fashion companies (H&M, Zara, Uniqlo, Mango) rather



than on the websites of e-commerce fast fashion retailers (ASOS, Boohoo.com, Zalando). More than half of the consumers who participated in the survey shop at the e-commerce retailers' website less than four times per year whereas a third of consumers (23%) purchase at traditional physical stores from two to three times per month. Additionally, most of the consumers prioritize retail stores and website of the brand for shopping because of their brand awareness and reputation. It should not be forgotten that 67% of the consumers rank retail stores as the first position channels for shopping while the second position as the website of brand with 22% and the third and four options for the website of e-commerce retailers and social media pages of companies with approximately 11% and 5% respectively. It is widely acknowledged that multiple channels of fast fashion companies outweigh the e-commerce retailers even in online shopping which is the key aspect of e-commerce retailers and the younger consumers prefer to shop at fast fashion companies to the remaining one.

As discussed in the literature review together with the findings, the importance of multiple channels to complement each other. Specifically, the online survey findings demonstrate that approximately 70% of the participated consumers make purchases in stores after searching for information online and there is a tendency to use the smartphone to find information at the store (40%). Numerous studies have consistently found that 42% of the U.S. consumers often surf the Internet for consultation before doing shopping in stores (National Retail Federation, 2001). As such it can be concluded that this trend seems to have increased significantly in the past 18 years. In the modern business life, it is necessary to release an online platform to boost up sales performance and develop brand reputation. In the findings of the financial summary with the low profitability of the online website of fast fashion does not mean there is no meaning for an online platform of fast fashion companies. Consequently, the distribution channel can positively impact on revenue as well as a method of approaching customers. A previous study by Lenskold (2002) expresses that companies always need to have a new and innovative approach to resolve the issue of business for the final purposes are to improve reputation and revenue.

Multiple channels do not only lead to enhancing in customer attraction but also in brand awareness and this is shown in several studies. For example, Shama and Mehrotra (2007) examine the impact of multi-channel strategies in an improvement of brand awareness. In this study, this argument is true for fast fashion brands when 83% of participants report

that they are more familiar with different channels of fast fashion brands such as H&M, Zara, Mango rather than e-commerce websites such as ASOS, Boohoo or Zalando. The reason could come from the long-term reputation these companies established and the higher level of exposure of consumers. In order to overcome this challenge, e-commerce retailers might launch new channels for increasing awareness, namely banners or advertisements on television and on the street.

## **5.2 Influence of Multiple channel distribution on Consumer Buying Behavior of Fast Fashion Companies**

With the phenomenally rapid increase of multi-channel distribution with the Internet, customers increasingly face more options of where to shop for products and services. More specifically, the fast fashion industry has focused on the use of multiple distribution channels and found the growth of Internet users as a communication channel for information and comparison purchasing as well as the distribution channel for online purchasing. This means the multi-channel distribution has an impact on consumer buying behavior once the consumers' channel-switching behavior between the physical store and online platform is understood. This study proves that this statement is correct. A considerable number of consumers (43%) says that price is the most important factors affecting their buying decision while 29% of the responses agree that convenience is ranked in the second position in decision making. Compare with the literature review of price elasticity of demand of Arikan (2008), such research should conclude that the price is the key reason for consumers to use different channels

Furthermore, more than 68% of online survey participants compare the price and quality of fast fashion products and services in different channels. It is necessary for consumers to receive different methods in purchasing. Therefore, when fast fashion brands offer multiple channels for customers in which customers would have more options then their buying behavior or experience would be changed. Some interviewees shared that five years ago, they preferred to shop at physical stores at the sale seasons but today, they can look up the special discount in advertisements on television or on the street or on a website.

Although two-thirds of participants in an online survey and most of the interviewees agreed that traditional store is the most prioritized channel, fast fashion firms also need

to integrate the online websites combined with the physical stores. Because of the improvement for better quality in products and services to consumers. For instance, consumers tend to use electronic devices to research even when they are inside a store (38.6%) together with asking a sale assistant for help at stores accounted for 33.5%. Similarly, iVend Retail (2017) in North America conducted that shoppers more than 54 years old prefer to receive help from sales assistant in-store instead of finding items themselves whereas only 17% of shoppers under 35-year-old do so. There is a significant number of consumers would like to compare the different methods with the same retailers before purchasing. In the interviewees' perspectives, they suggested that they believed in fast fashion brands because of long-term reputation consists of physical stores and online platforms. With the e-commerce retailers, the consumers cannot trust the quality of goods or services through only single channel and they also confirmed that the return policy of fast fashion companies is more satisfying to them than to others. From what has been discussed above, I may conclude that multi-channel distribution affects consumer buying experiences.

Nevertheless, there is a small number of people in the online survey (27%) who have not used to the BOPIS (Buy Online Pick-up In-Store) option. This option enables consumers to shop products at a channel (e.g. online website) and receive them at another channel (physical store). On contrary to the statement above, a recent study in 2017 of iVend Retail shows that 58% of customers in North America have used the BOPIS option. The reason given was the number of physical stores in North America, which is more than in Finland or Vietnam, the countries in which most of the online survey and interview participants for this study are residents. Another reason collected from the interviews is the inconvenience of this choice. They argued that is it easier to ship the products directly to their home instead of the physical stores because of wasting time and moving. As they are currently living in Vaasa (Finland), it is quite hard for them because there are relative few retail stores for the BOPIS option. However, some interviewees from other countries with a bigger population than Finland such as Germany, the U.S., Canada or Spain who lived near commercial centers agreed that the BOPIS option is suited for them. Having said that, the options depend on the living conditions of the customers, but there are several channels to ensure that the products would be received in good quality. Therefore, consumers conclude that multiple channels option is easier for them.

Based on the secondary information from the annual reports of H&M Group, Inditex and Uniqlo, multi-channel retailing brings them the way to access new markets, increase customer satisfaction and loyalty, and a creation of strategic advantages. The using of multichannel distribution with bricks-and-mortar retail chain which has many physical stores in various locations, therefore, the online channel may reach potential customers and compete with its physical stores and cannibalize its offline channel business. In addition, nearly two-thirds of the online survey participants describe their online shopping process as smooth. It is undeniable that the fast fashion companies are doing in the right way to improve better online purchasing process for the final purpose to approve customer satisfaction. Lian and Huang (19980) concluded from the empirical framework that several kinds of products are being sold better on the online channels than the offline channels. There are 55% of people agree that they could buy clothes online instead of going through the stores, but the brands should guarantee that the return policy is working efficiently. This finding is similar to numerous studies that companies should determine the suitable of customers for online channels or offline channels or both. (Coelho, Easingwood, and Coelho, 2003; Berman and Themen, 2004)

As a result of the interviews, there are significant implications due to the number of channels in the set of fundamental buying behavior outcomes. They report that it is of extreme importance for making better-informed decisions once understanding the difference in channel performance dimensions behavior with the number of channels. Importantly, multi-channel distribution can also involve customer-to-customer interaction through, for example, social media or peer-to-peer communication, which can have an effect on buying behavior. Consumers today have some special attention when using number of channels and they frequently search for information by the mobile device in the store and simultaneously get more offers and find more attractive prices. With some loyal customers of fast fashion companies, they experienced their buying behavior by having mobile devices or tablet applications because these companies offer Wi-Fi networks through in-store whereby firms can track customer behavior and communicate with customers. From all of the online and offline questionnaire results, the conclusion can be made that the multiple channels offer different methods for consumers to shop leading to change their shopping behavior today.

### 5.3 Influence of Multi-channel distribution on Profits Growth Rate

For the purpose of evaluating the influence of multiple channel distribution of fast fashion companies in term of profits growth rate, the channel distributions were divided into two main groups as the follows:

- A single channel distribution group: Fast fashion e-commerce retailers (ASOS, Boohoo.com, Zalando)
- A multiple channel distribution group: Fast fashion retailers (Inditex, H&M, UNIQLO)

The search for opportunities to increase revenue of fast fashion companies is accepted when compare with literature review and findings. The sales of companies used multi-channel distribution are growing rapidly. Examples collected from the interviews show this. A consumer who thinks about buying clothes might not want to drive to a mall, park, walk to a store, find the clothes and try them on. Instead of doing that, she can go online at home and order the clothes from the brand's website. Another consumer who is trying clothes on the store, would like to buy a product in different color. In that case, she can use the store's website to find the wanted color, order the item and have it delivered directly to his/her home. Still, another consumer wants to use his smartphone to take a picture of the clothes and send it to his girlfriend to discuss whether to buy them or not. Case studies are presented above together with the theories attempt to clarify that having a variety of engagement points other fast fashion companies more tools for making a sale.

There are significant differences in terms of net profits of two groups arising from the dissimilarity in the foundation of development history in which single channel distributions groups are younger and smaller than the remaining group. As the financial pieces of evidence suggest there are complex relationships between a number of channels and sales performance because using multi-channels does not ensure a permanently stronger sales performance compared with single channel distribution. Having said that it is difficult and unfair if any comparison occurs. Hence, in order to evaluate the variable of the financial figure on the summary statement, the profit growth is more appreciated than net profit. Because the profit growth determines the ability and flexibility to make important transactional decisions as well as emphasizes how much the business is worth and how much company will either gain or pay for these transactions. Growth is more important

than revenue because the company can make money in the long run and getting a critical mass is crucial.

Other grounds of net income figure of Inditex, H&M Group, UNIQLO can reach a higher valuation than ASOS, Boohoo.com and Zalando lead to the lower net sales growth rate in companies using multiple channel distributions in the period of 2014 to 2018. The reason for the high sales growth rate and profit growth rate come from the e-commerce industry trends. According to Aaron (2019), the growth rate of global e-commerce has increased rapidly and over half of U.S. shoppers start searching and complete a purchase on the smartphone. Niklas (2017) figured out that Finnish customers today are accustomed to online shops and websites because of navigating easily and the business has to live up to that expectations. Hakan (2018) illustrates that the e-commerce trends are expanding in Europe, more and more people are shopping from the outside of their own country. Kati (2018) demonstrates that the Artificial Intelligence (AI) has been growing as one of the largest advanced technologies in retail business lately because it can assist fashion retailers with exceeding speed, flexibility as well as reducing cost towards the value chain whereby consumers can appreciate better products and receive better services. According to Clark Boyd (2017), ASOS launched its new visual search tools by using AI technology in order to shake up their online shopping. In the researcher's perspective, the reason could be the single channel strategy focusing on the management efforts in building coordinated distribution arrangement and more homogeneous. As could be seen from the theoretical study, channel conflict is one of the issues of multi-channel strategy, therefore, with the single channel distribution, a company might limit channel conflict lead to facilitate the coordination in product flow and a high level of channel support.

However, the differences in size and historical development of these companies could impact strongly the result of their financial statements. As a young retailer in fast fashion industry with the business age at less than 20 years, ASOS, Boohoo.com, and Zalando are in a phase to rapid development. Meanwhile, Inditex, H&M Group and UNIQLO are long established enterprises, therefore, their sales growth rates and profit growth rates are more stable and steadier.

## 6 CONCLUSION

### 6.1 Main Findings

The main findings of the study indicate that multi-channel distributions have a positive impact on consumer buying experience and that multi-channel distributions assist fast fashion brand in improving brand awareness. Also, multi-channel distribution enhances customer attraction for fast fashion companies.

More than three-quarters (65%) of the studied consumers often purchase fast fashion products at least two channels and more than a third of the participants in the study frequently shop more than three channels. However, retail store ranks as the number one position to shop fast fashion products.

A considerable number of online survey participants (83%) agree that they prefer to shop at retail stores and the websites of fast fashion brands such as H&M, Zara, Uniqlo than e-commercial websites such as ASOS, Boohoo, Zalando.

Younger customers would like to shop at fast fashion companies because they can use multiple channels such as offline and online platforms. Young customers trust in reputation of fast fashion companies rather than website of e-commercial retailers because of the quality of products and services. Furthermore, younger customers state that they will choose the suitable methods to shop depend on the products of fast fashion retailers.

The Buy Online Pick-up In-Store (BOPIS) option is not popular in the survey areas because of geographic inconveniences. It should be noted that there are significant differences in the BOPIS option of people living in Finland or Vietnam with people living in North America regarding consumer buying experience for multi-channel distribution because of the difference in number of stores and living conditions. As a result, BOPIS choice is more popular in North America than in Finland or Vietnam.

70% of the respondents would like to visit the online website of the fast fashion brands before purchasing at physical stores.

The interviewees share that multi-channel distribution gives them several benefits that affects their behavior when shopping.

E-commerce retailer should be considered to develop offline channels through physical stores or traditional advertisements or television to enhance customer buying behavior.

The revenue of multi-channel distribution of fast fashion companies is much higher than e-commerce fast fashion retailers because of different companies' size and age. Nevertheless, the sales growth rate of multi-channel distribution of fast fashion companies, namely H&M Group, Inditex, UNIQLO is much lower than e-commerce only fast fashion retailers, namely ASOS, Boohoo.com, Zalando. Similarly, the profits growth rate of multi-channel distribution fast fashion companies, namely H&M Group, Inditex, UNIQLO is much lower than e-commerce only fast fashion retailers, namely ASOS, Boohoo.com, Zalando.

## **6.2 Implications of the Research**

Through this research, the knowledge shows the consumer buying behavior and financial performance toward multiple channels of fast fashion brands. It provides the general and specific aspects for companies and customers when comparing single channels and multiple channels, especially those concentrate on e-commerce distribution only. Based on analyzing, it could be useful for later researches in the same field. It is also useful for those who would like to improve on different channels or entrepreneurship or SMEs to understand the consumers behavior when developing the new channels. Generally, this research gives the current issues of fast fashion companies in their business operation and shows the solution to resolve it. Overall, the research might help not only to study but also to work in the future.

## **6.3 Limitation of the Research**

This study was successfully carried out but there is a considerable limitation of the research which arises from the failure of influences of multi-channel distribution of fast fashion companies compared with e-commerce retailers in term of profit growth rate. The reasons are also mentioned the reasons above which come from the size and age of businesses selected in this case study. Additionally, there is majority of participating in the online survey as well as interview are young women living in Asian and Europe (Vietnamese and Finland). As a consequence, the result might not apply to other demographic groups such as the U.S. market. Furthermore, the limitation could be increased in the



distance between the participant house and shopping center, and the number of physical stores in areas.

Another limitation is the lack of information from the companies' perspectives. It could be clearer if the research can consist of several interviews with fast fashion companies in order to have more specific primary data to analyze.

#### **6.4 Suggestions for Further Research**

Although the rejection of hypothesis related to multi-channel distribution boosts up the sales and profit growth, the possibilities for further research could be in the steady period of e-commerce retailers in the fast fashion industry, in which there would be in the similar situation business. E-commerce retailer is a hot trend today, it could be a good topic for further research for the purpose of improving the position of e-commerce retailer in the fast fashion industry. In specific, there could be a comparison between before and after e-commerce retailer adapting to new channels. "When a large online retailer should add an offline channel" could be a perfect topic for the later paper.

For the development of technologies and services, there are advanced channels which suit than multi-channel distributions namely omnichannel which the integration between promotion, distribution and communication channels on the back end as well as provide customers with a seamless shopping experience. For this method, not only fast fashion companies but also fast fashion retailers could be applied.

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## INTERVIEW QUESTIONS

1. What channels do you prefer when shopping for fashion products?
2. What type of fashion products do you prefer to shop online or in a store?
3. Where is your favorite place to shop online for fashion products, ecommerce websites or the website of fast fashion companies?
4. Why do you prefer such websites (e-commerce or fast fashion companies)?
5. How do your multiple channels (physical store, online websites) provide more value or benefit to you?
6. Have you ever purchased fashion product through BOPIS (Buy Online Pick-up In Store)?
7. Can you give some reasons why you choose BOPIS option?
8. Can you describe the fast fashion shopping behavior you have?



## ONLINE SURVEY QUESTIONS

1. Have you shopped for any products of fast fashion companies for the last one year?
  - ☐ Yes
  - ☐ No
2. Have you shopped for any products of the e-commerce websites for the last one year?
  - ☐ Yes
  - ☐ No
3. How would you evaluate the importance of fashion shopping to you?
  - ☐ Not important at all
  - ☐ Less important
  - ☐ Neutral
  - ☐ Important
  - ☐ Very important
4. How much do you spend in total for the fashion purchases in one year?
  - ☐ More than 1000€
  - ☐ 500-1000€
  - ☐ 100-499€
  - ☐ 50-99€
  - ☐ Less than 50€
5. Which distribution channels of fashion companies have you purchased from? Choose one or several.
  - ☐ Retail store
  - ☐ Website of brands (Ex: zara.com; hm.com; etc)
  - ☐ Website of e-commerce retailers (Ex: asos.com; boohoo.com, etc)
  - ☐ Social media pages of companies
  - ☐ Other
6. Rank these channels based on your fashion shopping preference. Rank from 1st (like best) to 4th (like least)
  - ☐ Retail store
  - ☐ Website of brands (Ex: zara.com; hm.com; etc)

- Website of e-commerce retailers (Ex: asos.com; boohoo.com, etc)
  - Social media pages of companies
- 7. How do you typically look for the information on fashion products? Choose one or several
  - Research products online before visiting retail stores to purchase
  - Use smartphones in the store to look up information
  - Ask a sale associate for help at stores
  - Ask an online customer service associate for help
  - Other
- 8. Do you compare the same fashion brand through different channels?
  - Yes
  - Sometimes
  - Rarely
  - Never
- 9. How often do you shop at a retail store for fashion brands?
  - 2-3 times a week
  - 2-3 times a month
  - Once a month
  - 4-6 times a year
  - Less than 4 times a year
- 10. How often do you shop on websites for fashion brands?
  - 2-3 times a week
  - 2-3 times a month
  - Once a month
  - 4-6 times a year
  - Less than 4 times a year
- 11. How often do you shop on websites of e-commerce fashion brands?
  - 2-3 times a week
  - 2-3 times a month
  - Once a month
  - 4-6 times a year
  - Less than 4 times a year

12. Which product type do you prefer to shop for online rather than to shop at the retail stores? Choose one or several

- ☐ Clothes
- ☐ Shoes
- ☐ Accessories (Necklaces, hats, belts, etc.)
- ☐ I do not prefer to shop any fashion product online

13. Factors affecting your purchase decision. Choose one or several

- ☐ Promotion/ Marketing
- ☐ Price
- ☐ Personal preferences
- ☐ Group influence
- ☐ Brand name
- ☐ Product range
- ☐ Location

14. Factor affecting your ONLINE purchase decision? Choose one

- ☐ Price
- ☐ Availability
- ☐ Convenience
- ☐ Nothing making me decide to buy online instead of visiting retail stores
- ☐ Other

15. Have you ever used two channels for one purchase? i.e. Buy Online Pick-up In Store option

- ☐ Yes
- ☐ Sometimes
- ☐ Rarely
- ☐ Never

16. How do you describe most of your online purchase process?

- ☐ Very smooth
- ☐ Smooth
- ☐ Not smooth
- ☐ Very troublesome

- ☐ I have never shopped any fast fashion product online
- 17. What is your nationality?
- 18. Where do you currently live
- 19. What is your gender
- 20. What is your current employment status?
  - ☐ Full-time employment
  - ☐ Part-time employment
  - ☐ Unemployed
  - ☐ Student
  - ☐ Retired
- 21. How old are you?
  - ☐ Less than 20 years old
  - ☐ 20-26 years old
  - ☐ 27-34 years old
  - ☐ More than 35 years old