

## Who Are the Multichannel Shoppers and How Can Retailers Use Them?:

### Evidence from the French Apparel Industry

- Purpose – This study aims to identify the characteristics of multichannel shoppers, that is, consumers who use more than one channel in a single shopping trip, in the context of fashion industry. In particular, we investigate whether consumers' focus on quality vs. price affects the multichannel shopping tendency, as well as their flexibilities in shopping list (basket flexibility).
- Design/methodology/approach – We surveyed a representative sample of 400 French shoppers regarding fashion apparel purchasing. We use logistic regression framework to measure the probability of one becoming a multichannel shopper based on the key constructs and a battery of control variables.
- Findings – The analysis shows that, in fashion buying, shoppers who focus on quality have higher probability of becoming a multichannel shopper, as well as those with high basket flexibility. The probability becomes even greater when a shopper is both quality oriented and is flexible with the basket.
- Research limitations/implications – We focus on the fashion apparel market, for deeper understanding of multichannel usage of products with both experience and search features. Future research can investigate other industries for higher generalizability.
- Practical implications – The research provides insights to multichannel fashion companies who aim to effectively manage high-value customers who tend to use more channels when shopping. Specifically, omni-channel marketing strategy should focus on capturing the quality-oriented and highly basket-flexible segment.
- Originality/value – This study provide evidence that, for products having high experiential as well as search features, quality-oriented and highly flexible shoppers engage more in multichannel shopping. Since these characteristics are related to long-term value of customers, we provide the link between multichannel marketing and firm profitability.
- Keywords – Online shopping, Multichannel shopping, Showrooming, Webrooming, Omni-channel, Quality consciousness, Price consciousness, Basket flexibility
- Paper type – Research paper

## INTRODUCTION

With proliferation of various digital channels aided by information technology, consumers now obtain product information and make purchases using multiple channels of varying formats. A shopper, for instance, may touch, feel, and evaluate products at an offline store and place an order through an online shop in the comfort of his/her home. On the other hand, a consumer may search for product information from an online site and proceed to visit a brick-and-mortar store to try out the product and purchase it. These consumers who use more than one channel during a single shopping trip are called research shoppers (Neslin et al., 2006; Verhoef et al., 2007), or multichannel shoppers (Konus et al., 2008; Rangaswamy and Van Bruggen, 2005).<sup>1</sup>

Understanding and managing multichannel shoppers are a paramount task for firms with multiple channels. Traditionally, multichannel shopping had been viewed as an opportunistic behavior on the part of the consumers that results in one channel member assuming most of the cost while another reap the benefit (for instance, “showrooming” behavior refers to making use of offline retailer for gathering product information and using another online retailer for purchasing at a lower price; Mehra et al. 2018; Rapp et al. 2015; Verhoef et al. 2015). However, firms are adopting more and more channels into their retailing infrastructure for several reasons: i) to increase market share, ii) to react to competing firms, and iii) to reduce costs associated with transaction (Dutta et al., 1995; Friedman and Furey, 1999; Grewal et al., 2001; Wallace et al., 2004). As a result, today’s firms often manage several channels including offline shops, (e-)catalogues, online and mobile stores, social network and microblogging accounts, and so on. These businesses put a large effort in their omni-channel strategies to manage increasingly nomadic consumers so that they stay with the firm throughout their shopping journey (Verhoef et

al., 2015).

More strikingly, recent studies and reports show that multichannel shoppers can be more valuable to the company as compared to single-channel shoppers (Nyquist, 2016; Verhoef et al., 2015). In the US market, digitally aided offline store sales is now greater than purely offline sales, and far exceeds purely online sales (Dennis, 2017). Numerous academic studies and mounting evidence demonstrate that consumers who uses multiple channels for a single purchase are the ones with greater customer lifetime value, less churn intention, and higher loyalty (Blattberg et al., 2009; Boehm, 2008; Kumar and Venkatesan, 2005; Stone et al., 2002; Verhoef et al., 2015; Wallace et al., 2004).

In this regard, understanding consumers in terms of who are more likely to display multichannel shopping tendency is crucial. Depending on the likeliness of a consumer to do multichannel shopping, business should suggest and offer different channels for different purposes (Nyquist, 2016; Verhoef et al., 2015). For instance, those with high tendency to use multiple channels for shopping can be approached in one channel, and then nudged to another for purchasing. Those with low tendency should be directly guided to the final purchasing channel. Neslin and Shankar (2009) suggest a practical discussion on market strategy in which customers who visited offline stores can be encouraged to repeat-purchase or to foster brand involvement by maintaining contact in another channel (e.g., email newsletter). It is particularly desirable to lure online consumers to an offline site, since they tend to make greater amount of purchases in a brick-and-mortar store (Ansari et al., 2008).

The research shopping phenomenon has been a greater concern for businesses dealing with search goods whose attributes can be easily compared (Huang et al., 2009), such as electronic goods and books. Because of the overwhelming advantages the online channel has over offline

ones in terms of searching and comparing, research shopping has fundamentally changed their industry structure. For instance, Borders and Circuit City, the former US national chains with substantial offline market presence, both went out of business, presumably due to the showrooming phenomenon (Gustin, 2012; Passariello et al., 2014). However, it is not clear how the consumers will use multiple channels for goods that have strong experience attributes (e.g., need to “try them out”) as well as search attributes, such as fashion items. Clearly, online is not always the dominant choice of channel for such goods (Lim et al., 2015).

Our study aims to identify those who are more likely to become multichannel shoppers in terms of relevant individual traits, in the fashion industry in particular. We chose the fashion industry, since it has features that encourage both multichannel shopping and single-channel shopping. This setting allows ready identification of individual characteristics that opt to shop one way or another. In addition, the fashion industry is relatively late in adopting multichannel structure (Schoenbachler and Gordon, 2002; Sender, 2011), and thus can benefit more from the study for future channel management strategies.

We focus largely on two individual consumer traits: dimension consciousness and basket flexibility. The first refers to consumers’ propensity to focus on different aspects of shopping related information. Specifically, we identify tendencies to focus relatively more on product quality related features and brands (quality consciousness), as opposed to price and deals (price consciousness). Second, basket flexibility refers to how willing and able the consumers are in terms of changing and updating the predetermined shopping list. We investigate the effect of such traits on the probability of consumers becoming multichannel shoppers, and also check if dimension consciousness constructs are moderated by the extent of flexibility in shopping.

We chose these characteristics in particular, since they are related to the long-term

profitability of customers. Evidence suggests that high-value customers respond more sensitively to changes in product quality (Zeithaml, 2000; Zeithaml et al., 2001), implying those who care about quality can become more valuable customers to the company. In addition, customers with high flexibility in their shopping list generally raise more revenue for the retailers (Pentecost and Andrews, 2010). Thus, consumer characteristics we investigate provide additional evidence linking multichannel management and company profitability, adding to the extant literature (Montaguti et al., 2016).

A large scale survey was conducted and the responses were used for empirical testing. The result shows that quality consciousness is significantly related to multichannel shopping, but price consciousness is not. This indicates that, particularly in the fashion industry, those consumers who are interested in quality related information tend to use multiple channels for shopping more. In addition, basket flexibility correlates highly with multichannel shopping propensity, indicating that those who are open to changes in plan and product recommendations tend to engage more in cross-channel shopping. Flexibility also positively moderates the effect of quality consciousness on multichannel shopping tendency.

Our study is one of few that investigate individual traits related to shopping tendencies, in particular, multichannel shopping. Theoretically, we add to the literature on multichannel shopping that mostly focused on cross channel strategies (Neslin et al., 2006; Verhoef et al., 2007; Sa Vinhas et al., 2010) and purchasing contexts (Kucuk and Maddux, 2010; Van Baal and Dach, 2005; Verhoef et al., 2007), by shedding light on the individual characteristics that are related to such behavior. Practically, we provide omni-channel firms in the fashion industry the insight needed to manage a collection of channels to address the need of the shoppers and take value in return from them, be they multichannel or single-channel shoppers.

In the following sections, we overview the related literature on multichannel shopping phenomena, introduce our main constructs, and suggest hypotheses based on previous studies. We then describe our dataset and discuss general characteristics of French shoppers in the fashion industry. The empirical results are presented and we discuss the relationship between consumer characteristics and multichannel shopping tendencies. Finally, we conclude by reviewing our findings and presenting managerial insights.

## **RELATED LITERATURE AND HYPOTHESES DEVELOPMENT**

Multichannel shopping involves making use of multiple channels in a single shopping trip, such as searching from one channel and buying from another (Neslin and Shankar, 2009; Neslin et al., 2006; Verhoef et al., 2007). In today's fashion retail environment, consumers choose among many channels to discover, search, and purchase products. These channels include brick-and-mortar stores, online shops and catalogues, print catalogues, and smart phone applications, to name a few (Avery et al., 2012; Bell et al., 2014; Neslin and Shankar, 2009).

Multichannel shopping is, in fact, an umbrella term for various patterns of multichannel shopping behavior. Consumers may discover a product in a brick-and-mortar store and later purchase an identical product online for a lower price. They can also search for the item on their smart phone inside the brick-and-mortar shop, seek more information, and proceed to buy in the physical store. Or, they can search a product online, visit a physical store to "touch-and-feel" the item (Bell et al., 2014), and proceed to buy it there. Previous studies have focused on few simple patterns of multichannel shopping and labelled them as either "showrooming" (search in a physical store, purchase in an online store) (Rapp et al., 2015; Verhoef et al., 2015) or

“webrooming (reverse-showrooming)” (search online and purchase in a physical store (Van Baal and Dach, 2005; Verhoef et al., 2015).

With such profusion of channels and complexity in buying behavior, we find it useful to view various patterns of multichannel shopping holistically to be studied as a unified concept. In particular, our study focuses on the consumer traits that promote any types of multichannel shopping. Multichannel shopper is defined as the customer who obtains information about products from one channel but make a purchase from another channel (Neslin and Shankar, 2009; Neslin et al., 2014). If multichannel usage of shoppers is driven by several well-defined motives of the consumers (Noble et al., 2005), those who show one multichannel usage pattern will also tend to display other patterns of multichannel shopping. Our study aims to identify the characteristics of these multichannel shoppers.

Whether consumers engage in multichannel shopping has a direct relationship with how much search they do in general. Lengthier the search, greater the chance for two or more channels to be involved in the purchasing process, everything else being equal. Traditional studies in economics on search costs bring much insight in this sense. That is, when search costs are low for personal reasons (Blattberg et al., 2009) or due to channel characteristics (Bakos, 1997; Ellison and Ellison, 2009; Ghose et al., 2012), consumers search more, leading to higher chances of multichannel usage. For instance, consumers with lower opportunity cost for their time and those who are price sensitive search more (Boatwright et al., 2004; Lal and Rao, 1997; Murthi and Rao, 2012). These findings, however, are largely based on the FMCG market and other durable electronic goods (Blattberg et al., 1978; Fox and Hoch, 2005; Lal and Rao, 1997; Murthi and Rao, 2012).

In the fashion industry, consumers show distinct searching behavior as compared to

shopping for FMCG, calling for careful monitoring on such activities. First, the brands are more varied and products are less standardized (Anderson-Connell et al., 2002; Evans, 1989; Han et al., 2010; Kim and Ko, 2012). One of the notable features of the fashion industry is that many consumers purposefully avoid purchasing an identical product that someone from their social circle owns, having intrinsic needs for uniqueness (Bertrandias and Goldsmith, 2006; Tian et al., 2001; Workman and Kidd, 2000). Because fashion goods are often used as a tool to form and promote personal identity, many prefer obscure and unique items over common and homogenized ones (Fiore et al., 2004; Stanforth, 1995). Thus, fashion buyers tend not to search to compare standardized features such as price, but more to find product information or discover related items (Evans, 1989; Hansen and Møller, 2009; Islam and Rahman, 2016) as compared to other product categories.

Second, many fashion buyers search product information with hedonic shopping motivations (Bellenger and Korgaonkar, 1980; Kim and Hong, 2011; Workman, 2010). Compared to other product categories, fashion shoppers have the tendency to enjoy the process of browsing, testing, choosing, and purchasing, as much as owning and consuming (Bellenger and Korgaonkar, 1980; Guiry et al., 2006; Sproles and Kendall, 1986). The word “window shopping” refers to a shopping behavior in which browsing and searching is done for the sake of enjoyment, without the intention of buying (Cox et al., 2005; Jarboe and McDaniel, 1987). It is a commonly observed practice especially in the fashion industry. For this reason, searching for fashion goods may be prolonged, leading to a greater chance of multichannel shopping. In addition, fashion shoppers may choose to pay attention to different aspects of the product (e.g., personal fit) as compared to categories for which purchasing process does not involve as much enjoyment, such as grocery shopping (Kim and Knight, 2007; Park and Stoel, 2005; Peck and Childers, 2006).

Finally, shopping for fashion goods often involve highly erratic decision making process (Han et al., 1991; Park et al., 2006; Pentecost and Andrews, 2010). Because the product market is purposefully diversified and fragmented, planning ahead and adhering to the shopping list is not as easy as in the case of grocery shopping (Birtwistle and Tsim, 2005; Hultén and Vanyushyn, 2014). Consumers start their shopping trips intending to buy an item (e.g., “a pair of jeans”), and in the process of searching, may discover various alternatives (e.g., “slim fit, regular fit, loose fit”), change their minds (e.g., “khakis pants instead of jeans”), or augment their purchases with other items (e.g., “a white shirt to go with the jeans”). Sometimes, completely unrelated fashion products are purchased in the same shopping trip, because shopper may discover an item and feel that delaying purchase may lead to a lost opportunity (Abendroth and Diehl, 2006). Consequently, many fashion shoppers are rather flexible in their decision making as opposed to other types of products such as groceries and electronic goods.

In addition to the lack of attention to the fashion industry, previous studies on multichannel shopping mostly focus on the phenomenon itself (Bell et al., 2014; Verhoef et al., 2015), and seldom on the customer characteristics within the multichannel environment. Few exceptions include the study of customer-level characteristics towards multichannel shopping behavior using IT firm’s database (Kumar and Venkatesan, 2005), the association between customer’s perception (risks, conveniences, and costs) and multichannel usage (Kim et al., 2005), and the impact of shopping motivations (utilitarian and hedonic) on the multichannel shopping behavior (Kwon and Jain, 2009). However, none of previous studies have examined the linkage between customer-level characteristics and their multichannel shopping behaviors in the fashion industry, to the best of our knowledge. Our contribution to the extant literature is the investigation of the individual-level covariates on multichannel shopping, including shopping tendencies and a wide

range of demographic factors, particularly for the fashion industry.

We focus on two key consumer characteristics that affect the multichannel shopping tendency. First, consumers' tendency to focus on different dimensions of product attributes, that is, product specifications, brand, price, and promotion, may affect the multichannel shopping behavior. Product specifications refer to the innate attribute such as textiles. Brand information concerns the trade mark and manufactured country. Price refers to the tag price of the item, and the deal information has to do with promotional offers. A consumer rarely considers one single important dimension, but there are individual tendencies to put greater weight on one area or another. We consider this tendency to be closely related to multichannel shopping behavior since the motivation for cross-channel search comes from the desire to gain information on one or more of these domains.

Second, we look into customer's flexibility in decision making and expect this to influence whether they choose to use several channels within one shopping session. As explained earlier, pre-planned item in one's shopping list may change frequently during shopping, especially in shopping for fashion goods (Birtwistle and Tsim, 2005; Hultén and Vanyushyn, 2014; Park et al., 2006). Thus, we plan to employ a certain item to measure shopper's flexibility on their shopping trip and to investigate how such trait is related to one's multichannel shopping tendency. We elaborate on these characteristics as follows and Figure 1 presents the structure of hypotheses.

[Insert Figure 1 about here]

*Dimension Consciousness: Quality Consciousness vs. Price Consciousness.*

When searching for products to buy, consumers differ in their tendencies to focus on various domains of purchasing information. Specifically, consumers may focus on the characteristics of the product that are indicative of its quality (e.g., material, color, brand), or some conditions of

transaction (e.g., tag price, promotion) (Dodds et al., 1991; Gneezy et al., 2014; Kwon and Jain, 2009). Previous studies identify different groups of consumers whose shopping patterns vary in their focus on these dimensions: quality, brand, price, and deal. Sproles and Kendall (1986) profile several types of consumers and their decision-making style, including high-quality conscious consumers (“High-Quality Conscious Consumer”: p. 271), and the price conscious (“Value for Money Consumer”: p. 273) ones. Jamal et al. (2006) identify several distinct patterns according to the shopping motivations, including independent perfectionist shoppers who value quality, and the budget conscious shoppers who care much about product price.

In our study, we consider product features and brands to be representing the dimension of information that consumers commonly search concurrently (Brun and Castelli, 2008; Park et al., 1991), since they are all related to the innate nature of the product, that is, quality. Likewise, price and deal information are both transaction conditions that consumers search and process at the same time (Lichtenstein et al., 1993; Yadav and Monroe, 1993), and thus are treated as composing a single construct. We call the former *quality consciousness*, and the latter, *price consciousness*.<sup>2</sup> Later, we test empirically whether this assumption holds.

The question of which type of dimension consciousness drives consumers to do more multichannel shopping can be answered by investigating the motivation resulted from focusing on one dimension or the other. Those who value product quality relatively more will be motivated to search for feature and brand related information, and those who value transaction conditions, for price and deal related information. There are empirical evidences that consumers extend their search for either of these motivations. Previous findings indicate that consumers with quality conscious trait tend to shop more carefully and get involved in a systematic search (Jamal et al., 2006; Lysonski et al., 1996; Sproles and Kendall, 1986), and this may lead to a

higher use of multiple channels that possess different advantages. On the other hand, price and deal conscious consumers tend to search for a prolonged period of time since they tend to have lower opportunity cost in both time and travel (Lal and Rao, 1997). This extended search increases the chance of engaging in multichannel shopping looking for better value (Kucuk and Maddux, 2010; Mehra et al., 2018).

We propose that, in our setting, the type of consumers engaging in more multichannel shopping is closely related to the nature of the market, that is, the fashion industry. In the fashion industry, items tend not to be standardized because consumers of fashion often pursue self-expression, aesthetic gratification, and a number of idiosyncratic experiential attributes such as design, fit, color, and size (Girard et al., 2002; Kim and Damhorst, 1998; Klein, 1998). Thus, fashion brands and retailers attempt to offer extensive variety of fashion items that are differentiated, making tens of variations out of one product line (Anderson-Connell et al., 2002; Evans, 1989; Han et al., 2010; Kim and Ko, 2012). In addition to the horizontal differentiation, fashion goods are offered in many quality tiers, as is the case with products that can be either essential or luxury (Han et al., 2010). Such wide scope of variation subsequently requires customers to search more information on features and quality side of the product.

On the other hand, non-standardization of individual items discourages price-sensitive consumers from price-comparing or deal-hunting. Extended search due to price and deal related motives are a common practice in industries such as FMCG, in which products are more or less standardized, qualities are better known, and repeat purchase of an item is frequent (Mishra and Mishra, 2011; Mittal, 1994). In the fashion industry, however, we predict that consumers who are motivated to search due to price and deal related reasons will not necessarily engage much in multichannel shopping. We thus propose our hypotheses as follows:

H<sub>1</sub>: Customer's quality consciousness has a positive association with the probability of being a multichannel shopper.

H<sub>2</sub>: Customer's price consciousness has no association with the probability of being a multichannel shopper.

### *Basket flexibility*

Individuals often purchase items that are not on their shopping list during a single shopping trip. This kind of shopping behavior is sometimes called unplanned purchase (Baumeister, 2002; Peck and Childers, 2006; Zhang et al., 2010), and often considered an irrational behavior that leads to a suboptimal outcome, requiring correction. For instance, Kollat and Willet (1967) study the drivers and strategies to deal with erratic and impulse purchasing in FMCG industry. In the fashion industry, however, unplanned buying is often part of the plan (Stern, 1962). Because fashion items are varied and unstandardized, a shopping trip involves discovering items, updating the list, and augmenting the portfolio (Han et al., 1991; Park et al., 2006). Thus, fashion shopping is pre-determined to accommodate some unplanned-ness in its execution. Previous studies in marketing have described such shopping trait conceptually as "planned impulse buying" and explained that the associated personality traits are different from the traditional impulsive buying behavior (Park and Kim, 2008; Park and Lennon, 2006; Stern, 1962). However, this shopping trait has never been studied in depth or tested empirically particularly in the fashion industry, calling for more academic investigation.

In this research, we name this trait *basket flexibility* and define it as the extent to which consumers are willing and able to modify their shopping list composed before the shopping trip. We expect this trait to be highly related to one's multichannel shopping behavior. Consumers

with high basket flexibility tendencies allow more room for adapting purchase decisions based on the varied and ever-changing shopping contexts offered by different retailers. The trait is correlated with consumers' perception of heterogeneity across product assortments (i.e., consumers who perceive more differences across brands allow for more flexibility in their decisions) (Schwartz et al., 2002; Simon, 1955; Scheibehenne et al., 2009), and this leads to higher risk perception, caused by higher possibility of post-purchase regret (Schwartz et al., 2002; Dar-Nimrod et al., 2009; Scheibehenne et al., 2009; 2010). We postulate that, because of higher opportunity cost of these consumers with greater flexibility, they will engage in more extensive search (Dowling, 1986; Mitchell and Boustani, 1994; Shim et al., 2001), leading to a greater amount of multichannel shopping. We formulate our hypothesis accordingly as follows:

H<sub>3</sub>: Consumers' basket flexibility has positive association with the probability of being a multichannel shopper.

*Interactions: Dimension Consciousness and Basket flexibility*

Beyond the main effects of the dimension consciousness, that is, quality and price consciousness, we also predict that consumers' tendency for basket flexibility moderates the extent of these effects. Dimension consciousness determines what information to search and where to search; basket flexibility determines *how much* to search. If substantial informational gain is expected through multichannel search, consumers will be encouraged to do multichannel shopping when their flexibility is higher. If additional multichannel search will not give much extra information, being flexible with shopping list does not affect the amount of multichannel shopping.

As discussed earlier, the fashion industry is extremely fragmented and seemingly haphazard;

expected informational gain on the quality side such as product feature and brand is large, while price and deal information is useful only to a limited extent. For instance, shoppers can find a plethora of information in another channel on the product features such as texture, similar items, similar style, matching items, etc. (Bei et al., 2004; McCorkle, 1990; Watchravesringkan and Shim, 2003). On the contrary, direct price comparison is not easy unless the consumers are looking for the exact same item, which is an exception rather than a rule in the industry.

When consumers care about the quality of fashion products, their perceived information gain through multichannel shopping will be high since there are much to be learned about the product. Thus, having high basket flexibility will lead to even more multichannel shopping. Conversely, if consumers were to be predominantly price conscious, they cannot expect to gain much additional information that they care about through multichannel shopping. Therefore, even if consumers have high basket flexibility, this will not lead to a greater amount of multichannel shopping. In sum, we expect basket flexibility to have an asymmetric moderating effect depending on the dimension consciousness of the consumers. We formalize our hypotheses as follows.

H<sub>4</sub>: The effect of quality consciousness on the probability of being a multichannel shopper is greater when the consumers have higher basket flexibility.

H<sub>5</sub>: The effect of price consciousness on the probability of being a multichannel shopper is not different for consumers with varying basket flexibility.

## **DATA AND METHOD**

### *Survey Data and Measures*

To investigate individual correlates of multichannel shopping behavior, we conducted an

online survey in France in September 2014, in cooperation with a global marketing multichannel firm. We chose to study the fashion industry as we expect the consumers to use a wide variety of channels while shopping for fashion products. Apparels not only have experiential attributes (Girard et al., 2002; Klein, 1998) which draws the consumer to the offline shops, but also possess search attributes that make digital channels attractive (Verhoef et al., 2007). Responses from 400 subjects are used in the final sample. The dataset includes behavioral variables and demographic information, as summarized in Tables 1 and 2, respectively.

[Insert Tables 1 and 2 about here]

To measure the extent of multichannel shopping, we asked the participants to indicate their use of offline (online) channel as a source of product information when making actual purchases from an online (offline) channel based on five-point Likert-scales ranging from “never” to “always.” This shows the tendency of the respondents to engage in showrooming (webrooming) behavior. We define multichannel shoppers as those who marked 3 and above in either question (those who do multichannel shopping for at least half of their total shopping trips).

The main individual drivers, quality consciousness and price consciousness, are measured using multiple items. Respondents were asked to rate the importance of product attributes while making purchase decisions using seven-point Likert scales. Specifically, we employed the importance of brand, textile, and manufacturer information in apparel shopping as components of quality consciousness construct. For price consciousness, we asked the importance of price and promotion information.<sup>3</sup> To make sure that this tendency is consistent across different categories, a set of identical questions were asked for other shopping situations (i.e., grocery shopping).<sup>4</sup>

Both constructs were tested for construct validity using confirmatory factor analysis (Jöreskog, 1969). The fit indices showed a good fit of the model to the data ( $\chi^2 = 34.84$ , 5 d.f.,

Goodness-of-fit Index (GFI) = 0.97, Adjusted goodness-of-fit (AGFI) = 0.90, Standardized root mean square residual (SRMR) = 0.09). All items loaded significantly on the expected constructs. The Cronbach alphas for the constructs were 0.797 and 0.793, respectively, indicating that they were internally consistent (Rindfleisch, 2000). Indeed, concerns for quality and brand seem to be driven by a common underlying motive, while attention to price and deals also stem from the same underlying factor. The two factors together accounted for 60% of the total variation in the data.

Basket flexibility is a single item measure constructed by asking if the respondents engage frequently in unplanned purchases mainly for the following reasons: (1) “I come across an item that I need while shopping,” (2) “I discover an item that appeals to me,” and (3) “the item I planned to buy is cheaper/more expensive than I expected.” On the scale of 1 to 5, the average was 2.15 (standard deviation 1.09), indicating relatively low levels of flexibility on the whole.<sup>5</sup>

In addition, we surveyed the individuals’ shopping behavior to be included as controls. Respondents were asked about their apparel shopping history (purchase frequency and expenditures on apparel) over the last three months from both offline and online retailers. Their demographic data including age, gender, marital status, household income, residential area, and educational background were also asked. The research firm confirmed that the sample represented well the overall population of French apparel shoppers.<sup>6</sup>

#### *Description of Multichannel Shopping for Fashion Products*

Table 1 reports the descriptive statistics for the main variables of interest. From a total of 400 customers, 167 (41.8%) are classified as multichannel shoppers. Among those multichannel shoppers, 109 (27.25%) do showrooming (search offline, buy online) and 143 (35.75%) do

webrooming (search online, buy offline). This number is in support of the findings by Van Baal and Dach (2005), who found that about 26.4% of a representative sample in Germany did showrooming, and 30.8% did webrooming while shopping for various durable goods.

A notable fact is that showrooming and webrooming tendencies go together within an individual. Cross-tabulation of showrooming and webrooming experience is displayed in Table 3, which shows high occurrence of observations on the diagonal (correlation coefficient of 0.623). This suggests that those who tend to display one type of multichannel shopping behavior also do other types of multichannel shopping. It also justifies our previous decision to tentatively view various types of multichannel shopping as stemming from similar motives and drives.

[Insert Table 3 about here]

As for the drivers of multichannel shopping tendencies, the average values of quality consciousness and price consciousness are 4.793 and 5.732, respectively. There is a moderate correlation between being quality consciousness and price consciousness (correlation coefficient of 0.32 between the averages of the items that make up each factor). The standard deviations of two variables are 1.021 and 0.839, indicating that shoppers have more variations in quality seeking propensity. Among 400 surveyed, 281 (70.3%) had price consciousness score higher than for quality. This indicates that most consumers do care about price and promotion, but they differ in the degrees to which product and brand (i.e., quality) matter to them.

Concerning the general apparel shopping behavior, French customers utilize offline channels about twice as much as online channels, both in terms of shopping frequency and expenditure. This finding is consistent with other studies from various markets that find about 25 to 30% of the fashion goods purchases occur online (Enberg, 2017; U.S. Census Bureau, 2016). With an

exception of some categories and brands, sales contribution of online channel to the total averages around this range (25-30%).

Table 2 presents the demographic characteristics of the participants. Stratified sampling was used when recruiting the respondents, and the statics of the sample are approximate to the population status as we explained earlier. Roughly three quarters of participants live in urban areas, one fourth reports annual income of 50,000 euros or more, two thirds have a university degree or higher and are married. These shopping behavior and demographics are used as controls for the model used in the empirical analysis.

## MODEL, ANALYSES, AND RESULTS

In this study, we investigate what type of consumers are more likely to become multichannel shoppers, particularly in the fashion industry. We model the probability of being a multichannel shopper using logistic regression framework, and apply it to the individual-level data as follows:

$$\begin{aligned} & \ln \left( \frac{\Pr(\text{Multichannel shopper}_i = 1)}{1 - \Pr(\text{Multichannel shopper}_i = 1)} \right) \\ &= \beta_0 + \beta_1 \cdot \text{Quality consciousness}_i + \beta_2 \cdot \text{Price consciousness}_i + \beta_3 \cdot \text{Basket flexibility}_i \\ & \quad + \beta_4 \cdot \text{Quality consciousness}_i \times \text{Basket flexibility}_i \\ & \quad + \beta_5 \cdot \text{Price consciousness}_i \times \text{Basket flexibility}_i \\ & \quad + \bar{K} \cdot \overline{\text{Controls}}_i \end{aligned}$$

*Multichannel shopper<sub>i</sub>* denotes whether person *i* does multichannel shopping when buying fashion products. *Quality consciousness<sub>i</sub>* and *Price consciousness<sub>i</sub>* calibrate the consumer's shopping propensities regarding their attention to quality/brand related information and price/promotion related information. *Basket flexibility<sub>i</sub>* measures person *i*'s extent of flexibility in

updating her shopping list, whose coefficient captures the extent to which basket flexibility is associated with the probability of being a multichannel shopper.  $\overline{Controls}_i$  is a vector of control variables on shopping behavior and demographics, including fashion shopping records for the last three months, the ratio of online to offline purchase amounts, age, type of residential area, income, education, marital status, and gender.

We report the estimation results in Table 4. We estimate the model twice, with and without the interaction terms, to show the sensitivity of the model to the existence of moderating factors. These results are reported as Model (1) (without interactions) and Model (2) (with interactions). To avoid correlation between the main effects and their interactions and to evaluate the relative importance of the variables, we standardized independent variables (except for categorical variables) for model estimation (Aiken et al., 1991; Cohen, 1978; Van Trijp et al., 1996).

[Insert Table 4 about here]

*Quality consciousness (H<sub>1</sub>).* Regarding the main effects of the dimension consciousness constructs, quality consciousness is positively and significantly related to multichannel shopping in both models, in support of H<sub>1</sub> ( $\beta_{1, (1)} = 0.61, p < 0.01$  and  $\beta_{1, (2)} = 0.60, p < 0.01$ ). That is, shoppers who have higher quality consciousness engage much in multichannel shopping. Because fashion goods are extremely varied in terms of product features and quality tiers, consumers who focus on quality related aspects of the product are motivated to explore and make use of cross-channel retail environment more.

*Price consciousness (H<sub>2</sub>).* Meanwhile, price consciousness in consumers is not predictive of multichannel shopping tendencies, as shown by results from both models ( $\beta_{2, (1)} = -0.09, p > 0.10$  and  $\beta_{2, (2)} = -0.07, p > 0.10$ ). H<sub>2</sub> is also supported, meaning that those who mainly focus on price and promotions do not use multiple channels for searching and purchasing as much for fashion

shopping. We suppose that while customer's consciousness on qualitative attributes drives customer's extensive search across multiple channels, the same cannot be said about the price consciousness because price information takes relatively lesser role in the process of product evaluation, at least in the fashion industry.

*Basket flexibility (H<sub>3</sub>).* We also find that customer's basket flexibility is positively associated with the probability of being a multichannel shopper, as shown in Model (1) and (2) ( $\beta_{1, (1)} = 0.36, p < 0.01$ ;  $\beta_{1, (2)} = 0.34, p < 0.01$ ), in support of H<sub>3</sub>. This means that consumers with higher propensity to adjust their shopping list are more likely to multichannel shop and consequently employ different channels in search and purchase phases. As we postulated in the theory section, this may be because basket flexibility is associated with greater perceived heterogeneity of products, leading to higher perceived opportunity cost and risk. In turn, consumers with greater flexibility are encouraged to search more in terms of multiple channels as well as time and effort, resulting in greater chance of doing multichannel shopping.

*Interactions: dimension consciousness and basket flexibility (H<sub>4</sub>-H<sub>5</sub>).* We predict that flexibility in shopping list moderates the influence of dimension consciousness on multichannel shopping behavior. Indeed, we find that the shopper's basket flexibility positively moderates the effect of quality consciousness ( $\beta_{4, (2)} = 0.42, p < 0.01$ ), in support of H<sub>4</sub>. That is, quality conscious consumers who see more to be gained through using multiple channels to search and purchase significantly increase their chance of multichannel shopping when they have more flexibility to adjust their shopping list. Finally, the effect of price consciousness on multichannel shopping tendency is not significantly moderated by the tendency of consumers to engage in basket flexibility ( $\beta_{5, (2)} = -0.24, p > 0.10$ ), as hypothesized (H<sub>5</sub> supported). Price consciousness in consumers do not result in more multichannel shopping, because there is little to be gained due

to little standardization in fashion market. Consumers being able to update their shopping list with considerable amount of flexibility does not qualitatively change the fact that price consciousness does not lead to multichannel shopping.

*Control variables: basic shopping habits and demographics.* In both models, total shopping amount and a ratio of online to total shopping amount showed positive effects on the probability of being a multichannel shopper. This means that heavy shoppers and those who shop through much in online are the ones who are more likely to multichannel shop. We explain that heavy shoppers tend to buy more often, and thus simply have more chance of engaging in multichannel shopping. Furthermore, we notice that most of whom who were surveyed had experience in offline shopping, meaning that those who do not engage in multichannel shopping are mostly purely offline buyers. As offline shoppers gain more experience in online shopping, they form positive attitudes toward such online transaction channel (Cho, 2004; Lohse et al., 2000) and become more likely to expand their shopping channel options from single to multiple. Lastly, we found marginal effect of young age and being in urban residential area but no significant relationship with the remaining demographic variables. We explain that younger and urban consumers tend to do multichannel shopping, presumably because they are more familiar with seeking information via multiple channels or are prone to be tech-savvy in new digital channels.

## **CONCLUSION, DISCUSSIONS, AND LIMITATIONS**

### *Conclusion and Discussions*

In this research, we investigate the relationship between consumers' individual tendencies and their multichannel shopping behavior in the context of the fashion industry. Multichannel

shoppers are a critical asset for omni-channel firms to manage, since they can become valuable customers in the long term (Boehm, 2008; Nyquist, 2016; Verhoef et al., 2015). Thus, identifying who they are and developing a strategy to meet their needs along the shopping journey should be at the center of retail management plans of companies that offer multiple channels.

Our study shows that quality consciousness, as opposed to price consciousness, is positively associated with multichannel shopping tendencies in the fashion industry. Since quality and brand conscious consumers engage in more multichannel shopping, online channels should provide extensive information on product features and varieties, and encourage shoppers to visit offline stores for “touch and feel.” (Nyquist, 2016). Offline shops can show displays that direct and encourage shoppers to go online or use mobile apps to get more information on the items displayed. Through such cross-channel marketing, firms can aim for increased loyalty and repeat purchases (Boehm, 2008; Nyquist, 2016; Verhoef et al., 2015).

In addition, flexibility in updating shopping list encourages more multichannel shopping, particularly for those who are quality conscious. As multichannel retailers, firms should make best use of these consumers whose shopping basket can be significantly augmented through marketing tactics such as cross-selling or up-selling (Verhoef et al., 2015). For instance, a coupon can be offered to be used online when a shopper purchases an item in a physical store (Nyquist, 2016). Also, complementary items can be offered in online/mobile channels when one item is purchased in an offline shop. Email newsletters promoting new items and encouraging to visit stores are another method to enhance brand engagement (Neslin and Shankar, 2009).

We contribute to the literature by adding to extant literature on multichannel shopping, particularly by suggesting relevant individual traits associated with it. There have been studies investigating individual features related to other shopping habits such as unplanned purchases

(Han et al., 1991; Kollat and Willett, 1967; Park et al., 2006), or situational factors influencing multichannel shopping behavior (Neslin and Shankar, 2009; Verhoef et al., 2015), but almost no work investigating what type of individuals engage in cross-channel purchasing in one shopping trip. In addition, we are the first to explore the concept of basket flexibility and empirically measure its effect. Conceptually, it is similar to unplanned shopping in other industries (Kollat and Willett, 1967), but in our setting, it has less negative connotations of impulse buying and we view it as a desirable tendency of fashion consumers who make best use of the varied and complex product landscape. A similar concept had been proposed, i.e., “planned unplanned shopping,” (Han et al., 1991; Stern, 1962) but the work stops at theoretical conjecture with no empirical evidence.

Practically, our work demonstrates that customer demographics have limited predictive power in distinguishing multichannel shoppers from others, and managers of the fashion industry should rather focus on a set of particular traits such as consumers’ quality consciousness and flexibility to update shopping lists. As the retail industry moves toward predominantly multichannel formats, the insights from this study can guide the retailers in determining what individual data to collect and monitor to maximize the effectiveness of omni-channel strategy. In sum, we believe that our study contributes to this relatively unexplored area of literature and provides managerial insights to multichannel practitioners.

#### *Limitations and Suggestions for Future Research*

We focus on the fashion industry because it is a setting in which there is large heterogeneity in terms of individual preference for multichannel shopping. A future research could explore multichannel shopping behavior in other retail businesses such as grocery and electronic goods,

in which market leans more toward one tendency and result in change in industry structure. As previously mentioned, Borders and Circuit City, the former U.S. national chains with substantial offline market presence, went out of business presumably due to the multichannel shopping phenomenon (Gustin, 2012; Passariello et al., 2014). We expect extensive knowledge on multichannel shopping is available with a broader investigation on multichannel shopping in other industries. Second, to reflect customer's shopping behavior particularly in apparel shopping, this study defined and measured relatively new variable; basket flexibility. Although we found some preliminary and conceptual supports for this tendency in several literatures, more investigation would strengthen the legitimacy of this tendency (Stern, 1962; Park and Kim, 2008; Park and Lennon, 2006). In addition, as the result shows its significant relation to one's multichannel shopping, we expect it would be interesting to see the same result holds in various industry settings. Future research may also develop additional measurements and survey items to make the construct more solid.

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<sup>1</sup> The definition for multi-channel shopper we use is distinct from the ones used in Kumar and Venkatesan (2005), in which multi-channel shopping is defined as multiple purchasing across distinct sales channels.

<sup>2</sup> Promotional sensitivity and price consciousness may not be the same within a consumer, and even the promotional elasticity can differ across the types of promotion (Narasimhan et al., 1996). In our study, we consider promotional and price sensitivity to be representing one underlying trait, according to the studies by (Lichtenstein et al., 1993) and (Martinez et al., 2004).

<sup>3</sup> The exact wording of the questions are: "In apparel/grocery shopping, how important is (each product attribute) to you when making a purchasing decision?"

<sup>4</sup> As robustness check, we used only the items from apparel category and obtained qualitatively the same result. Full details are available upon request.

<sup>5</sup> The response "Never" is coded as 1 and "Always" as 5. "Sometimes (1~3 times out of 10 purchases)," "Usually (4~6 times out of 10 purchases)," and "Very Often (7~9 times out of 10 purchases)" are assigned the value of 2, 3, and 4, respectively, on the response scale.

<sup>6</sup> Specifically, each age group of 25-34, 35-44, and 45-54 years old accounts for 32, 34, and 34% respectively both in the sample and population, and each group has a 50/50 gender ratio. Also, 69% of participants are married while 71% are married in the French population.

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Table 1. Shopping Related Variables

	Mean	Standard Deviation	Median
<b>Research Shopping</b>			
Research shoppers	0.418	0.494	0.000
<b>Shopping Characteristics</b>			
Quality consciousness	4.793	1.021	5.000
Price consciousness	5.732	0.839	5.750
Basket flexibility	2.150	1.089	2.000
<b>Shopping Expenditure</b>			
Offline (EUR)	204.483	271.466	120.000
Online (EUR)	95.963	164.514	50.000
Ratio of online to total <sup>a</sup>	0.287	0.266	0.273
<b>Shopping Frequency</b>			
Offline	4.133	3.908	3.000
Online	2.078	3.068	1.000
Ratio of online to total <sup>a</sup>	0.284	0.251	0.286

Notes:

<sup>a</sup> This denotes the ratio of online shopping expenditure (frequency) to total shopping expenditure (frequency).

Table 2. Demographics

	Number of Respondents	Sample Percentage
<b>Age</b>		
25 – 34	128	32.00
35 – 44	136	34.00
45 – 54	136	34.00
<b>Residential Area</b>		
Urban	303	75.75
Suburban	97	24.25
<b>Annual Household Income</b>		
49,999 EUR or below	298	74.50
50,000 EUR or more	102	25.50
<b>Education</b>		
High school or below	127	31.75
University or higher	273	68.25
<b>Marital Status</b>		
Married	275	68.75
Single/divorced/widowed	125	31.25
<b>Gender</b>		
Male	200	50.00
Female	200	50.00

Notes: Total number of sample is 400.

Table 3. Showrooming and Webrooming Tendencies

Showrooming	Webrooming					Sum
	1: Never	2	3	4	5: Always	
1: Never	107	73	19	8	1	208
2	8	45	18	9	3	83
3	2	19	37	11	4	73
4	1	2	11	15	1	30
5: Always	0	0	0	1	5	6
Sum	118	139	85	44	14	400

Notes: Correlation coefficient: 0.623 (p<0.01)

Table 4. Estimation Results

	Model (1)	Model (2)
<b>Shopping Characteristics</b>		
Quality consciousness	0.61** (0.18)	0.60** (0.18)
Price consciousness	-0.09 (0.17)	-0.07 (0.17)
Basket flexibility	0.36** (0.12)	0.34** (0.12)
Quality consciousness X Basket flexibility		0.42* (0.19)
Price consciousness X Basket flexibility		-0.24 (0.17)
<b>Controls</b>		
Total shopping amount	0.31* (0.16)	0.30+ (0.16)
Online shopping tendency <sup>a</sup>	0.43** (0.12)	0.46** (0.12)
Age: 25 – 34 years old	0.56+ (0.29)	0.53+ (0.30)
Age: 35 – 44 years old	0.35 (0.28)	0.34 (0.29)
Urban	0.48+ (0.27)	0.53+ (0.28)
Income with 50,000 EUR or more	-0.01 (0.29)	0.03 (0.30)
University or higher	-0.23 (0.26)	-0.21 (0.26)
Married	0.05 (0.25)	0.03 (0.26)
Female	-0.05 (0.24)	-0.06 (0.24)
<b>Constant</b>	-0.91* (0.39)	-0.92* (0.40)
<b>Log-likelihood</b>	-233.18	-230.37

Note:

Standard errors of estimates are in parentheses

<sup>a</sup>The ratio of online shopping frequency to total shopping frequency. The result remains consistent when the ratio variable is made by expenditure amount variables.

+ p<0.10, \* p<0.05, \*\* p<0.01

Figure 1. Conceptual Framework

