

**CONSUMERS' PERCEPTIONS TOWARDS SUBSCRIPTION RETAIL:
A FOCUS ON ONLINE FASHION BOX SERVICES**

by

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of the requirements for the Master of Science in Fashion and Apparel Studies

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ABSTRACT

Shopping for fashion products through subscription services is a new phenomenon in apparel retail. While subscription services are growing at a fast rate and generating awareness among consumers, little research has examined the reasons behind this online retail model. Using qualitative data, this study examined the shopping motivations of consumers enrolled in online fashion subscription companies. Fourteen subscribers from 11 different apparel, accessories and beauty-related subscription companies were interviewed. The transcribed interview data was analyzed using the NVIVO software.

Findings showed that the benefits received from the subscriptions relate to both utilitarian and hedonic shopping motivations. Hedonic shopping motivations, as noted in the literature (e.g., adventure, gratification, social, perceived value, and idea), were related to consumers' subscription service experience. In addition, the study found style experimentation and wardrobe compatibility were two emerging motives to enroll in subscription services. For apparel subscription services with personal stylists, most participants emphasized the key role of a stylist/curator in delivering the value proposition of online subscription retail. Based on the findings, an inductive model was developed to explain the motivational constructs of apparel retail subscription and

the facilitating role of the stylist/curator as the influencer. The stylist/curator and box delivery structure add value to the subscription experience and transforms the consumers' subscription shopping experience.

Chapter 1

INTRODUCTION

The apparel industry is constantly evolving with the changing technology and consumer needs. The increasing level of consumerism globally requires that the apparel industry keeps innovating, not only the products, but also with new business models to ensure that the products are marketed and delivered in the most effective manner. Brands and retailers are modifying ways to best offer their products to accommodate a wide range of consumer demands and lifestyles.

There is also an upsurge in the number of apparel brands and retailers which has given rise to a great level of competition within the industry. To stay ahead in the competition, companies are experimenting through new platforms to acquire consumers and retain the old ones. E-commerce, as a virtual platform, is effectively replacing the brick and mortar retailing concept by offering consumers unparalleled convenience. With the advancement of technology, website features have been tremendously improvised simulating, and even surpassing, the experience that a traditional brick-and-mortar store offers a customer (Li, Browne & Wetherbe, 2006).

Apart from online retailing, companies are finding ways to constantly engage their customers with their product offerings. The fast-paced lifestyle of consumers today tagged the need for the companies to brainstorm and come up with workable

options which can offer greater convenience and time-saving shopping experience. Apart from the convenience factor, consumers are also seeking variety (Overby & Lee, 2006) as well as browsing for best values while shopping (Arnold & Reynolds, 2003).

A recently introduced business model in the online apparel business is the subscription service model which seems to offer consumers a new level of experience. The subscription-based e-commerce businesses deliver their patrons with a subscription box for a monthly subscription fee. The companies personalize boxes using algorithms or stylists based on subscriber preferences. The box is shipped to the subscriber based on the delivery schedule set in the consumer subscription plan. Consumer-friendly features include free cancellation, suspension of membership, free returns, and sign-up discounts. A trend observed mostly with the new companies, subscription model offers a range of convenience and benefits to the consumers and provides a different level of shopping experience than the conventional in-stores or the online channels.

Subscription Service Business Model

A subscription service is a marketing strategy deployed by companies as an innovative way of product distribution (Yoshimura, 2012). According to research conducted by Shorr Packaging (2016), subscription services began with products like magazines, newspapers and local food delivery. While subscription is common for

these products, apparel purchasing through subscription is a relatively new phenomenon. Although, now with the rise of internet users and e-commerce, many retailers have started providing subscription of fashion-related products to their consumers. Birchbox, a beauty subscription business launched in 2010, is first of its kind and also the earliest successful subscription company that increased its subscriber base by 1777 percent in 2.5 years (Shorr Packaging report, 2016). Following the Birchbox model, many apparel retail companies joined the bandwagon and offered apparel through online subscription services.

In the U.S. alone, there are more than 2000 subscription box services in operation as of March 2016 ranging a diverse set of products (Shorr Packaging, 2016). Some popular companies offering this service are Birchbox, Menlo Club, Stitchfix, Sprezzabox, Trunk Club, FabFitFun, The Zoe Report, and Le Tote to name a few. See Appendix A for sample company (Stitch Fix) description. The majority of these companies sell apparel and beauty products. Given the success of this model, a market-place named Cratejoy has been created as a platform for startups to market their products to a wider audience without going through the hassle of owning a website of its own.

The success of this new model coincides with unprecedented growth in online apparel retail shopping. According to Shorr Packaging (2016), the number of subscription box websites visitors have exploded from 722,000 in 2013 to 21.4 million in 2016. The number of visitors on these websites have increased by over 3000% in 2016 compared to 2013. The visitors of these websites are a viable target market

group. The median age of an average subscription box website visitor is 41 years, reportedly earning an income of \$78,436. The majority of these visitors (58%) are women. In fact, the popularity has so increased that during the 2015 holiday season, 8.6 million Americans, which is equivalent to 4.3% of the online population, visited the subscription box websites (Shorr Packaging, 2016). Given this interest from consumers, fashion giants like Macy's, Amazon, Adidas, Walmart and Nordstrom have recently included monthly subscription service as part of their many distribution channels.

Competitive Strategies Employed by Subscription Services

With the fashion subscription industry experiencing unprecedented growth, consumers are in a commanding position to choose from many such subscription providers. Companies can be seen differentiating themselves based on three broad strategies. These strategies relate to providing greater convenience, value, and exclusivity.

First, subscription companies mainly advertise on the convenience aspect of the business model. The web interface of these companies is designed to make consumers' shopping hassle-free. The highly engaging process that a consumer usually goes through while shopping in-store or online is made easy and quick through this automation that is powered by algorithms to carry out various functions. Hence,

convenience could be one such reason why fashion subscription service is being increasingly used by the customers (Shorr Packaging, 2016).

Next, the goal of the e-retailers is to explore and strengthen the website-user relationship (Li et al., 2006) by detailing the values they offer to their loyal customers. Within the context of the subscription business, the loyal customers are referred to as the members of the subscribing company. The subscription services offer customers benefits like reduced prices of the items in each box and discounts with a membership plan. The savings that the member made from each box is detailed by the company.

Finally, members subscribed with the subscription services are offered early access to exclusive designer wear which otherwise is difficult to shop given that designer collections have limited access. With the inclusion of these designer collections in their monthly package, members are made aware of new products and trends in the market which position the consumers to stay ahead of fashion.

Apart from the recognized value propositions highlighted by the subscription services, there are other drivers that might play a substantial role in consumers' engagement with this business model. As a relatively new business concept, a deeper understanding of the motivations of subscription shoppers is needed.

Purpose and Justification

As millions of consumers visit fashion-based subscription websites and enroll in subscription plans, consumers are looking for subscription services that maximize

value. As it is important for companies to align with consumer goals, greater insight into what consumers expect from such companies is required. In other words, companies must understand consumers' motivations and expectations to better cater to their needs and succeed in the market. However, given that fashion-based subscription is a relatively new phenomenon, little research has examined consumers' perceptions of buying through subscription.

A limited number of qualitative studies have examined cosmetics box subscribers' reviews posted on social media to study their consumption experiences (Mimoun, Garnier, & Depledt, 2015) and consumers' perceptions and attitude towards fashion subscription retailing services (Tao & Xu, 2017). Quantitative inquiry in this topic is also limited. A few studies have analyzed the important retail attributes that explain consumers' loyalty towards subscription services (Lee, Sadachar, & Manchiraju, 2017), the predictors that influence consumers' attitude and intention towards subscription-based online services (Ramkumar & Woo, 2017), and individual characteristics that influence consumers' interest to use subscription services (Woo & Ramkumar, 2018).

While these studies provide some insights into this topic, the coverage is narrow or probe a few constructs related to consumer willingness to enroll in subscription services. Further, the sample of participants used in the studies did not have adequate representation of subscribers who are enrolled in such a service. Hence, the external validity of the findings from these studies is limited. More research is needed to comprehensively examine consumers' perception of subscription services.

In particular, examining consumers' motivations to subscribe to fashion-related products will offer an in-depth understanding of the subscription dynamics related to fashion. Such research would serve two purposes – a) to advance theoretical development on the topic by uncovering major themes that capture consumers' motivations, and b) to provide critical insights to fashion-based subscription retailers and enable them to appropriately position their offering in ways that resonate with consumers.

This research examines the motivations that drive consumers to subscribe to fashion-related products. The inquiry is based on interviews of active subscribers of fashion-related products. The remainder of this thesis is organized as follows. Chapter 2 is a review of literature on general shopping motivations and current research on fashion-related subscription services. Chapter 3 describes the methods to collect and analyze data. Chapter 4 presents the results based on qualitative analysis. Details of the themes uncovered from the interviews are discussed. Finally, Chapter 5 discusses an exploratory model of consumers' motivations behind fashion-related subscription services in addition to limitations and future extensions of this research.

Chapter 2

LITERATURE REVIEW

Although the subscription service retail model has been common in many industries such as newspapers, magazines, internet, and telecommunications, its application within fashion retail is new. Hence, very little research focused on fashion retail exists on this topic.

In the general business area, researchers have investigated pricing models for products/services sold through subscription (Danaher, 2002; Fishburn & Odlyzko, 1999). Such research examines how consumers make mental trade-offs between flat-rate pricing and pay-per-use pricing plans. For instance, there is evidence in the literature to suggest that subscribers often prefer fixed-fee or flat-rate pricing to per-use pricing, for reasons such as overestimation of usage and avoidance of worrying about occasional large bills (Fishburn & Odlyzko, 1999). However, such research does not broadly reflect on consumer shopping motivations and behavior. Moreover, above research assumes that consumers always make rational choices and largely ignores the experiential aspect of consumption.

Fashion-Related Subscription Services

More recently a limited number of studies have examined consumer behavior directly within the context of fashion-related subscription. Lee et. al (2017) conducted a quantitative study to explore the important retail attributes that explain consumers' loyalty towards subscription services. The authors found that product quality and product uniqueness influence consumers' attitude towards subscription box retailers. Further, such attitude influences consumers' willingness to repurchase and provide positive word-of-mouth. Another study employed structural equation modeling to analyze the predictors that influence consumers' attitude and intention towards subscription-based online services (Ramkumar & Woo, 2017). A modest fit was found for the structural model that linked fashion subscription with utilitarian and hedonic benefits. Woo and Ramkumar (2018) extended the understanding of this topic by examining consumer characteristics (age, gender, e-trust, fashion consciousness, exploratory acquisition of products) that influence consumers' interest to use subscription services. They found that compared to males, females with a higher level of e-trust and fashion consciousness were more likely to enroll in these services (Woo & Ramkumar, 2018).

Mimoun et. al (2015) conducted a netnographic analysis of cosmetics box subscribers' reviews posted on social media to study their consumption experiences. In the study, participants discussed two value dimensions from such subscription services – intrinsic value and extrinsic value (Holbrook, 1999). While extrinsic value meets the need for practical purposes; experiences derived through intrinsic value

satisfy the emotional needs of a shopper (Holbrook, 1999). Other qualitative inquiry into this topic has been conducted by Tao and Xu (2017). The researchers conducted a focus group study of nonsubscriber students to explore consumers' perceptions and attitude towards fashion subscription retailing services. The benefits perceived by the focus group included opportunity to try new styles and brands, feeling of excitement and surprise while opening the box, time savings, as well as reduced impulse purchases (Tao & Xu, 2017). Apart from these benefits, perceived risks include inability to opt out of the services when not in use, time-consuming interaction with the stylists, missing the social aspect while shopping, missing the sales shopping, and the contributing to environmental pollution from massive packaging and shipping of boxes.

Consumer Shopping Motivations

As research related to subscription services which focus on consumers is sparse, research investigating motivations to shop in general can be used to begin conceptualizing how consumers perceive subscription services. Consumer motivation offers a foundation for understanding perceived benefits related to subscription services. The theory of human motivation has been instrumental in explaining consumer behavior (McGuire, 1974). Motivation guides both attitudes and behavior (Tauber, 1972). Motivations predispose people to like things that meet their needs.

People make choices based on their motivations which arise from certain needs and/or stimuli in the environment (Westbrook & Black, 1985).

Previous literature, reviewed in greater detail in this section, suggests that there are both hedonic (Arnold & Reynolds, 2003) and utilitarian (Kahn, Weingarten, & Townsend, 2013; Rohm & Swaminathan, 2004; Wagner, 2007) motivations behind shopping. Past research has examined the effect of both these types of motivations. Kim and Hong (2011) studied the relationship between hedonic shopping motivations and fashion leadership with female consumers of apparel. The authors found that fashion leadership is related to four different types of hedonic shopping motivations - gratification, value, social, and idea. Kim and Forsythe (2007) studied the motivations that facilitate online apparel shoppers' adoption of product virtualization technologies. The authors found that compared to utilitarian motivations, hedonic motivations better facilitate online apparel shoppers' adoption of product virtualization technologies. Arnold and Reynolds (2003) propose and validate the role of hedonic motivations as consumers shop for products. These authors also developed a six-factor scale to measure the hedonic shopping motivations based on qualitative and quantitative studies. The scale consisted of adventure, gratification, role, value, social, and idea shopping motivations.

Several other utilitarian aspects of shopping motivations, be it online or offline shopping, have been researched (Kahn et. al, 2013; Rohm & Swaminathan, 2004; Wagner, 2007). These motivations specifically look at the utility side of shopping. Such motivations are different from hedonic motivations that arise out of excitement,

pleasure, escapism, socializing, success-seeking, etc. Consumers primarily buy products to satisfy a need. The need satisfying capability of a product is a primary motivation behind consumers' decision to buy a product (Thaler, 1983). Further, consumers are also motivated to buy products that are promoted through discounts, coupons, freebies, etc. (Thaler, 1983). Hence, it is necessary to examine such motivations in addition to the hedonic drivers of consumption. The following section offers brief review of hedonic and utilitarian motivations as applied to fashion research and subscription services.

Adventure Shopping

Arnold and Reynolds (2003) described adventure shopping as being associated with “adventure, thrills, stimulation, excitement” (p. 79). The qualitative findings from the study revealed that among the many reasons to shop “excitement” and “adventure of the shopping trip” (p. 80) were substantial. In addition, the authors find resemblance with the findings of Tauber (1972) and Westbrook and Black (1985) which showed “that shoppers often seek sensory stimulation while shopping” (Arnold & Reynolds, 2003, p. 80). Kang & Park-Poaps (2010) described that consumers who are motivated by adventure shopping tend to satisfy their adventurous drive and are on the lookout for something other than ordinary while shopping. Based on their findings, the authors associated adventure-seeking behavior with high level of fashion

innovativeness or with those consumers who are driven by the desire to explore a new fashion or a new distribution setting.

Adventure shopping motivation is grounded in McGuire's (1974) stimulation and expressive theories. Based on these theories, shoppers motivated by adventure shopping, shop to escape from boredom as well as to satisfy their need for pleasure and arousal (Kim & Hong, 2011). These authors further hypothesized that other hedonic shopping motivations which include gratification, value, social, and idea shopping will positively influence adventure shopping among female shoppers while shopping. Based on the results, it was found that female shoppers experienced a sense of adventure via these shopping motivations (gratification, value, social, and idea) (Kim & Hong, 2011).

In the context of fashion subscription literature, the perceived benefits as listed by the focus group included similar benefits (Tao & Xu, 2017). They mentioned that subscribers may experience excitement along with surprise while opening the box customized as per their preferences. Lee et al. (2017), through Stimulus-Organism-Response (SOR), predicted that product-related attributes such as surprise will positively influence consumers' attitude towards subscription box retailers. However, the study conducted on a non-subscriber sample showed that the relationship predicted was not significant.

Social Shopping

Arnold and Reynolds (2003) referred to the enjoyment of shopping with friends and family as “social shopping”. The shoppers mentioned socializing and bonding with others as part of their shopping experience to which they look forward. Rooted in McGuire’s (1974) human motivations theories, people with social shopping tendencies seek “acceptance and affection in interpersonal relationships” (Arnold & Reynolds, 2003, p. 80). Moreover, various terminologies were attributed to shoppers with social shopping motives. These include “personalizing shopper” who is looking for personal relationships while shopping (Stone, 1954) and “psychosocializer” who emulates other persons while shopping (Moschis, 1976).

Social shopping aspect is also studied within the fashion-related subscription literature. Woo and Ramkumar (2018) indicate consumers with a higher fashion consciousness to be more likely to be subscribers and Mimoun et al. (2015) found subscription shoppers to use social media. Kang and Park-Poaps (2010) identified that consumers who exhibit a high level of fashion opinion leadership are more likely to be driven by the social shopping aspect which helps them to legitimize the acceptance of a new fashion within their social group. Such shoppers, based on their information-seeking patterns, prefer marketer-dominated sources, like fashion magazines (Kang & Park-Poaps, 2010) and social media like YouTube (Mimoun et al., 2015), that can provide them with information about a new style or trend. These shoppers also affiliate with various reference groups to interact with others having similar interest about shopping (Tauber, 1972; Westbrook & Black, 1985).

Gratification Shopping

Consumers motivated by “gratification shopping” consider shopping to be a stress reliever and hence refer to their experience as therapeutic or a way to escape into a more pleasing state-of-mind (Arnold & Reynolds, 2003). Their exploratory study found that shoppers felt relieved from stress, improved their negative mood as well as considered shopping as a special treat for themselves. The “pick-me-up” and a “lift” feeling that shoppers, who are depressed, experience while shopping (Babin, Darden, & Griffin, 1994) is associated with gratification shopping motivation. Tauber (1972) found that shopping provided self-gratifying benefits to the shopper and hence makes them feel better. This was supported by Lee, Moschis, and Mathur (2001) article which found that shopping acts as a coping mechanism adopted by consumers who are going through a stressful event.

Some fashion-specific studies used sentiments like escapism (Michon, Yu, Smith, & Chebat, 2007) and relaxation value (Chang, Burns, & Francis, 2004) in their survey items to measure gratification shopping as a motivation. Kim and Hong (2011) showed that female consumers with higher levels of fashion leadership were positively influenced by gratification shopping motivation. Across a sample that was diverse in terms of age, fashion leadership was related to four of the five hedonic shopping motivations discussed by Arnold and Reynolds (2003).

In the context of the fashion subscription shopping, the netnographic study by Mimoun et. al (2015) examined the YouTube video reviews posted by subscribers of the cosmetics company, My Little Box. The authors discussed about associative words and terms that explained the experiences of subscribers based on Holbrook's (1999) framework of perceived value. It was found that subscribers derived intrinsic values by enrolling in this box service (Mimoun et. al, 2015). The subscribers experienced positive emotions similar to receiving a gift or a reward that pleased or consoled them.

Idea and Variety Shopping

Idea shopping is defined as “shopping to keep up with trends and new fashions, and to see new products and innovations” (Arnold & Reynolds, 2003, p. 80). It is also associated with shoppers' quest to keep up with new products and innovations (Kang & Park-Poaps, 2010). Shoppers are driven by the idea of staying tuned to new trends and styles and keep themselves updated with the latest in fashion. They gather information through browsing online and offline (Arnold & Reynolds, 2003) with the ultimate need to stay aware of what is new and in trend.

Variety-seeking among consumers have been studied extensively by researchers to determine their motivations to shop in both online and offline settings (Arnold & Reynolds, 2003; Kahn et al., 2013; Rohm & Swaminathan, 2004; Wagner, 2007). Arnold, Oum, and Tigert (1983) show that variety of assortment is an important element, along with location and price, for consumers while selecting a physical store

to shop. When it comes to online shopping, the variety factor is emphasized since the location effects are cancelled (Kahn et. al, 2013). Rohm and Swaminathan (2004) included variety-seeking within the typology generated for online shoppers based on their shopping motivations. These kinds of shoppers exhibited exploratory behavior by choosing from various retail alternatives, product types, and brands (Rohm & Swaminathan, 2004).

Variety within a product type has been classified as actual variety and perceived variety by Kahn et al. (2013). At different stages of choice process, perceived variety can have a positive or a negative effect on a consumer's choice making. While a consumer can view the variety of assortment in a product category as positive during the orientation stage, the same assortment seems complex and distracting when evaluating the choices in the next stage (Kahn et al., 2013). When a consumer has a wide range of choices available with regards to style, which is common in an online setting (Rohm & Swaminathan, 2004), the choice overload causes confusion and decreased satisfaction (Kahn et al., 2013).

Recent fashion-related subscription studies have explored the relationship between variety-seeking motives and the consumers' attitude towards subscription box retailers. The participants in the study conducted by Tao and Xu (2017) mentioned that subscribers might find it beneficial to receive a box of new styles and trends with a wide range of brands which they otherwise won't have access. Ramkumar and Woo (2017) examined the idea shopping perspective by hypothesizing that desire for unique products will positively influence the consumers' attitude towards fashion/beauty

online subscription services which will further influence their purchase intention. However, based on the findings, they found that desire for unique products directly influences consumers' intention to use subscription services.

Value Shopping

Arnold and Reynolds (2003) described consumers motivated by value shopping as competitive achievers who seek satisfaction from finding a discount while buying from brick-and-mortar stores. Based on the findings from their qualitative study, the researchers associated respondents' feelings such as "a game won" or a "challenge conquered" while shopping (p. 81). They found support to the choice optimization dimension identified by Westbrook and Black (1985) which explained how shoppers felt satisfied or gained a feeling of personal achievement through sale shopping.

Within the context of online shopping, Lee and Overby (2004) identified two types of value: a) utilitarian value which considers the price savings from deals and discounts, time savings, selection criteria, and b) experiential (perceived) value which considers the experiential benefits - the visual appeal and the feeling of escapism - derived through the website features. Although perceived value is more subjective and personal (Babin et al., 1994) as compared to utilitarian value, both provide a positive satisfaction to the consumer while shopping.

A review on value shopping by Sanchez-Fernandez and Iniesta-Bonillo (2007) described in detail how there is lack of consensus among research scholars between the conceptualization and measurement of “perceived value”. Talking broadly, the authors have identified that “(perceived) value implies a ‘trade-off’ between benefits and sacrifices” (Sanchez-Fernandez & Iniesta-Bonillo, 2007, p. 429) based on the consumer’s perceptions. Consumers, while making a purchase decision for a product or a service, usually evaluate their judgement first based on all the information available to them (Sanchez-Fernandez & Iniesta-Bonillo, 2007). As an outcome to this evaluation, they form a value perception and proceed with the decision (Sanchez-Fernandez & Iniesta-Bonillo, 2007).

Mimoun et. al (2015) explained how the subscribers’ derived extrinsic value from the deals and discounts offered by the beauty box service. On the flip side, participants in Tao and Xu’s (2017) study expressed their concerns on losing discounts or missing on sales shopping if they subscribed to fashion-related services. Due to their inexperience with subscribing to these services, the respondents were unaware of any deals or offers extended by the subscription services and hence perceived value risks in enrolling.

Convenience Shopping

When it comes to shopping, be it online or offline, convenience is an important factor which drives customers to shop. In offline settings, Bellenger and Korgaonkar

(1980) mentioned that a shopper, for whom convenience matters the most, shops from stores based on time and efforts savings. With the advent of the internet, consumers can conveniently shop from the comfort of their home, thus avoiding any travel hassle (Swaminathan, Lepkowska-White, & Rao, 1999). Rohm and Swaminathan (2004) concur that convenience is one of the significant motivating factors within the online shopping context.

Convenience orientation also significantly predicts online buying behavior of consumers (Li, Kuo, & Rusell, 1999). The authors obtained statistically significant results of higher convenience-orientation levels among frequent online buyers as compared to the levels among occasional and non-web buyers. Hence, convenience plays a vital role in motivating a consumer towards looking for online purchases as well as triggers his/her online purchase frequency. This means that for an individual who is a frequent online buyer, increased convenience offered while shopping will lead to his/ her increase in making actual purchases.

Most of the apparel companies, be it brands or retailers, have an online presence and offer online shoppers an overload of choice options. Choice overload adds to the complexities while making selective online purchases (Fasolo, McClelland, & Todd, 2007). For consumers who want to save time and efforts during online shopping, choosing from too many available options could demotivate them. A convenience shopper would rather prefer only a limited and defined options based on a specific criterion to save time and effort.

Compared to shopping from brick-and-mortar stores, respondents mentioned that shopping through subscription services would save time (Tao & Xu, 2017). It was believed that subscribers would save time from driving to the stores and browsing through the shelves to make purchases. Using the theory of reasoned action (Ajzen & Fishbein, 1980), Ramkumar and Woo (2017) predicted that utilitarian motivations such as convenience will positively influence consumers' attitude towards fashion/beauty online subscription services which will further guide their intention to use these services. Through structural equation modelling, the authors found that the consumers who are convenience-oriented will show positive attitude towards these services eventually leading to higher purchase intentions.

Chapter 3

METHODS

The purpose of this study was to identify the motivations of consumers in subscribing with fashion-related firms. The study seeks to better understand how subscription service retail models meet the evolving needs of today's fashion consumers and offer insight into factors that may fuel its growth within the fashion-related segment. The following research question was studied:

What are the shopping motivations of consumers enrolled with fashion-based online subscription companies?

Given the limited literature on this topic, the researcher conducted a qualitative research through in-depth semi-structured interviews. A qualitative approach to this research was best suited given the absence of predictors that could answer the research question. Moreover, an in-depth interview method helped the researcher to take into consideration the context of subscribers' profile, characteristics of the subscribers in terms of their shopping behavior, and their patterns of shopping while analyzing the data. A holistic account of active consumers of fashion-based subscription services was required to extract the various motivations that led the consumers to enroll with these services.

Data Collection

Sampling

This study was approved by the University of Delaware Institutional Review Board on January 9, 2018 (see Appendix B). The population of interest within this study were current subscribers to one or more online fashion subscription box company(ies) and regularly receiving packages. Such a population was justified for this study since active subscribers were able to describe in detail their motivations for using these services through their own experience. In addition, they were able to distinctively describe the curation process for the boxes and the benefits participants derive from them as an active subscriber. Using purposive and snowball non-probability techniques (Blackstone, 2012), a sample of 14 participants was selected from the defined population. Such a sample was feasible to recruit and appropriate to conduct the semi-structured interview study.

To solicit participants for the study, the researcher used online social media approach as well as snowballing technique. A majority of the online fashion subscription companies have an active online social media presence within Facebook, Pinterest, Instagram, Twitter, etc. to promote their subscription plans. The followers of the Facebook page of a specific subscription company are usually their active members/consumers who follow the page to receive regular updates or offers as well as interact with stylists and followers of the page. The researcher searched and

followed around 20 companies' Facebook pages and groups and posted an open letter soliciting participants for the semi-structured interview study (Appendix C). The post briefly explained what the research study was about and how interested eligible consumers could participate in the study. Information about the interview duration as well as the complimentary e-gift card was presented in the Facebook post. At the end, the post provided the email address of the primary researcher for interested participants to contact. The researcher also posted the letter on the Fashion and Apparel Studies Department's Facebook page to solicit participation from the active subscribers. An alternate method, called the referral method, was also employed to solicit participation in the study. Using this referral method, the researcher and the research advisor solicited participation from faculty, students, friends, and family. See Appendix C for communication used to solicit participants.

Upon being contacted by interested participants, the researcher forwarded via email follow-up questions about their membership with the subscription services to assess their qualifications to participate in the study. Follow-up questions included,

- Which fashion-related subscription services are you enrolled with currently
- How long you have been subscribed to the company(ies)
- When was the last time you received the package from the company(ies)

Participants who subscribed to a fashion-based subscription company for a minimum of a month period were eligible for the study. All the participants who contacted the researcher were eligible to participate except one who was only subscribed to

Causebox, a subscription company which does not exclusively curate fashion-related products.

The researcher then forwarded via email an Informed Consent Form (Appendix D) and asked if they had any questions pertaining to the study. The Informed Consent Form briefed the participants about the interview procedure, and other information such as risks/discomforts and benefits of participation. Assurance of anonymity was provided within the consent form along with the information that a \$15.00 gift card would be given as a token of appreciation upon conclusion of the semi-structured interview. Moreover, it was mentioned in the form that the semi-structured interview would be audiotaped for subsequent transcription and analysis of the data. Lastly, the consent form provided the contact information of the University's Institutional Review Board for questions about the study and participant rights. Finally, a convenient time was scheduled with the eligible participants for a semi-structured interview. The informed consent form was obtained orally and there was no signed documentation of consent; the researcher reviewed the consent form with the participants prior to the beginning of the interview and participants agreeing to continue the interview was considered as an implied consent.

Semi-Structured Interviews

An in-depth, semi-structured approach was used for the interviewing process. The interviews were conducted between January 18, 2018 and March 1, 2018 by the

primary researcher along with the research adviser. Based on the location preference of the interviewees and the interviewers, the interviews were conducted either face-to-face or via phone. Each of the interviews lasted from 30 to 45 minutes. A semi-structured interview protocol (Appendix E) was designed to guide the researcher through the interview process and address the research question of the paper. The protocol outlined the script to be used during the interview along with the interview questions as well as relevant follow-up questions/probes. This allows the researcher to avoid deviating from the research topic during the semi-structured interview and helps increase reliability of the study (Bhattacharjee, 2012). At the beginning of the interview, the researcher greeted the participant and offered a brief about the purpose of the interview. Subsequently, the researcher briefly went over the Informed Consent Form (Appendix D) and asked the interviewees if they had any questions. None of the interviewees had any questions since they had already read the form before the interview was scheduled.

The researcher asked participants demographic questions, i.e., age, education, occupation, household composition, and residing state and city. The reason to ask participants about their demographic information before interviewing them on the research questions were to ease the participants into the interview process as well as to build a rapport with participants (Bhattacharjee, 2012). Also, the demographic information was required to understand the profile of participants as well as to associate their shopping behavior or subscription interest to their background information.

Gradually, the semi-structured interview progressed towards asking open-ended questions to participants as per the protocol. Table 3.1 provides a list of the open-ended questions and the additional probes that were asked to participants during the interview study to address the identified research question. The flow of each of the interviews was dependent on prior responses of participants. However, any additional probing was strictly limited to the context of the research. At the end of the interview, the researcher thanked the participant for their time and participation in the study and confirmed the email address of the interviewee to deliver the \$15.00 gift card.

Table 3.1 Interview Follow-Up Questions

1. Please tell us how you feel about shopping for clothing (accessories or beauty products) in general.

Follow-Up Questions

- 1.1 What are some reasons for shopping for clothing (accessories or beauty products)?
 - 1.2 What are the most important criteria when shopping for clothing (accessories or beauty products)? (Example, variety, convenience, quality, trendiness, value, etc.)
 - 1.3 What is your monthly/yearly budget for shopping for clothing (accessories or beauty products)?
 - 1.4 Where do you get the information/updates on new trends and looks from?
 - 1.5 Which stores (online/offline) you usually shop at?
-
2. Think about your shopping with subscription service in general. Please tell us the reasons why you use subscription services, how you feel about using the subscription service, and benefits you receive from subscription services.

Follow-Up Questions

- 2.1 Which subscription services have you subscribed to?
 - 2.2 How you decided to sign up for subscription services?
 - 2.3 Can you describe the process for signing up with the service?
 - 2.4 Can you talk about your interaction with the stylist/company, if any? Do you feel connected with the company?
 - 2.5 Describe the feelings/emotional descriptors on receiving your box or while waiting for your box.
 - 2.6 Describe your satisfaction level with the subscription box that you receive. What percentage of the box do you return, if any, and why? Give examples.
 - 2.7 What aspects of the service do you like or dislike?
 - 2.8 Describe any good and/or bad experiences with the merchandise or service?
3. Is there anything else you would like to tell me about your experience with the subscription service that we have not covered here?
-

Data Analysis

The interviews were transcribed by the primary researcher at the end of each interview. The interview transcriptions were re-reviewed twice by the primary researcher and research advisor to check for errors and in preparation for further analysis.

Participant Profile

Table 3.2 summarizes the participant profile. All 14 interviewees were subscribed to one or more of the 11 fashion-related subscription companies (Stitch Fix, Trunk Club, Sprezzabox, Birchbox, Rocksbox, MM.LaFleur, Wantable, Dia & Co., Le Tote, The Zoe Report, and ThredUp) which offer products within beauty, grooming, apparel, and accessories categories in men's and women's segments (Table 3.3 provides a short description about each of these 11 subscription companies). A majority (71.43%) of the sample size was either already subscribed to Stitch Fix or had experience with the subscription company.

The participants selected for the study were actively subscribed to one or more of these companies except one participant (Katie) who was subscribed to Causebox and Datebox which do not entirely curate fashion products. However, this participant was recruited for the study as she had subscribed to Stitch Fix in the past and was still ordering some clothes and accessories from Stitch Fix, although she was not regularly subscribed to it at the time of the interview. Moreover, she had a good experience of subscribing to multiple subscription companies in past and was able to offer interesting insights about her experiences with these companies.

The subscription duration of all the participants ranged from one month to four years. Such a broad range of duration gave different and meaningful perspectives to the way the subscribers described about their experiences with the services. Further, the time the last package was received by the 14 participants ranged between 1 day to 4 months prior to the date of interview. This information demonstrated their active

membership status with the various fashion-related subscription companies and hence were considered eligible for the interview study. Except for one interview which was conducted face-to-face, all interviews were conducted over a conference phone call. Both the researcher and the research advisor participated in all the 14 interviews.

Table 3.2 Participant Profile

Participant	Gender	Age (in years)	Education	Occupation	Subscription (past and present)	Subscription duration	Product category of the subscription service
Emily	Female	54	MBA	Faculty member	Birchbox	2 years	Beauty-related products
Sarah	Female	42	Masters	Contract Manager	MM.LaFleur, Wantable, Stitch Fix, Le Tote	3 years	Clothing, Accessories
Jennifer	Female	48	Masters	Marketing Director	Birchbox, The Zoe Report	9 months	Accessories, Beauty-related products
John	Male	52	Masters	Minister	Stitch Fix, Birchbox, Trunk Club	2 years	Clothing, Grooming-related products
Steve	Transgender	34	Masters	Legal Editor	BirchboxMan, Sprezzabox	3 months	Grooming-related products, Accessories
Katie	Female	31	Masters	Nurse Practitioner	Stitch Fix, Causebox, Datebox	1 year	Clothing and non-fashion products
Michelle	Female	43	Masters	Teacher	Stitch Fix, Rocksbox	3 years	Clothing, accessories, jewelry
Megan	Female	32	Masters	Contractor	Stitch Fix	1.2 years	Clothing
Nicole	Female	49	Bachelors	Unemployed	Stitch Fix	1 year	Clothing
Elizabeth	Female	48	Some college	Business Development and Communications Manager	Birchbox, Dia & Co.	7 months	Beauty-related products, Clothing

Amy	Female	50	Doctorate	Nursing professor	Stitch Fix	2 years	Clothing
Julia	Female	54	Masters	Corporate Financial Officer	Stitch Fix, Trunk Club, ThredUp	4 years	Clothing and accessories
Stephanie	Female	53	Masters	Technical Communications Manager	Stitch Fix	2 years	Clothing
Maria	Female	36	Masters	Environmental Engineer	Le Tote, Stitch Fix, Trunk Club	1.8 years	Clothing

Note: pseudonyms were used to refer to participants.

In terms of demographic profile, 12 participants identified themselves as female, one participant identified as male, and one participant identified as transgender. The age of the participants ranged from 31 to 54 years with a mean of 44.71 years; the study sample was a mix of Baby boomers, Generation X, and Millennials (<http://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake-baby-boomers/>). A majority of participants (85.71%) had attained advanced degrees in various fields such as Education, Business Administration, Nursing, and Engineering. Almost all the participants were employed (92.86%) and held a wide range of professions. Moreover, the participants were located across the U.S. in 11 states. There was a good mix of participants residing in major cities and capitals of their respective states as well as in small towns of the states. The participants were either living with their family or living alone in their house/apartment.

In terms of their store preferences, participants preferred to shop from high- to low-end brands and retailers like Macy's, Kohl's, Loft, Old Navy, JC Penney, Michael Kors, Amazon, Cabi, and Brooks Brothers to name a few as well as thrift stores. Overall their annual budget allotted for fashion-related items ranged from \$200 to

\$9600. To protect participants' identities, pseudonyms are used to refer to participants throughout the manuscript.

Table 3.3 Subscription Company Description

Subscription companies	Description
Birchbox	An online monthly subscription service that sends its subscribers (men and women) a box of four or five selected samples of makeup, or other beauty related products for a \$10/month fee.
Stitch Fix	A personal styling service for men & women that delivers a box of clothing and accessories depending on the subscription plan selected (for more information about the company refer to Appendix A).
Trunk Club	Trunk Club, a Nordstrom company, is a personalized mid- to high-end men's and women's clothing service that offers multiple plans with different price points and a styling fee per box.
Wantable	A lifestyle service that curates 7 items (apparel and accessories, including fitness apparel) for men and women for a styling fee.
MM.LaFleur	A service, which greatly emphasizes on the convenience aspect, offers women's business apparel with no monthly commitments or styling fee. Each of their Bento box is curated by a stylist based on their customers' work life and needs.
Dia & Co.	A premier plus size clothing and personal styling service for women that delivers a box of 5 items for a styling fee.
The Zoe Report	An online women's subscription service that delivers a Box of Style of glamorous fashion and lifestyle items to its subscribers.
Rocksbox	For a monthly fee, Rocksbox members receive a curated set of designer jewelry to wear on loan with the option to buy or swap at any time.
Sprezzabox	A men's subscription box of accessories for a fixed monthly fee.
Le Tote	A rental subscription service offering women's apparel and accessories under various subscription plans based on different price points.
ThredUp	A largest online thrift store and consignment store it offers specially curated secondhand apparel and accessories for women and kids.

Interview Transcription and Coding

After the completion of the data verification process, the primary researcher prepared an initial coding guide while broadly keeping in mind the research question to be answered in this study. An integrated approach was taken to develop the coding guide by considering each line of the transcripts from the interview study while also referencing the general shopping motivations of consumers discussed in the literature review section. New codes were added, or description of initial codes was refined to include new findings as more and more transcripts were studied. The coding guide was refined further in consultation with the research advisor. Upon agreement between the researcher and the research advisor, a total set of 31 codes in the coding guide were finalized (see Appendix F).

The codes were defined based on the literature on hedonic shopping motivations (Arnold & Reynolds, 2003) as well as the utilitarian shopping motivations (Kahn et al., 2013; Rohm & Swaminathan, 2004; Sanchez-Fernandez & Iniesta-Bonillo, 2007; Wagner, 2007) as discussed in the literature section of this paper. In addition, other codes that were supportive of the code labels explaining the motivators were included in the guide. For example, criteria for shopping was created to code data that revolved around the participants' shopping specifications like fit, quality, trendiness, identity establishment, easy return policies, etc. This helped the researcher to understand the participants' characteristics in relation to their fashion and shopping interest. Furthermore, these characteristics were relevant while analyzing benefits of and needs for enrolling in subscription services.

All 14 interview transcripts were coded using qualitative research software NVIVO 11.0. Initially, the researcher and the research advisor coded twenty-five percent of the total transcripts individually as per the agreed coding guide. Each of the code labels were thoroughly described in the coding guide to analyze the transcripts accurately. Finally, an inter-rater reliability was calculated to measure the consistency of coding the transcripts between the two independent raters (Bhattacharjee, 2012). A 98.37% of agreement was achieved.

A constant comparison approach (Corbin & Strauss, 2008) was employed to evaluate the analyzed data and find connections between the emerging concepts or themes to inductively develop a conceptual model sufficient to explain the dynamics of subscription services related to consumer behavior. The primary motivators were identified by taking into consideration the total percentage of coverage for all the 14 transcripts.

Chapter 4

RESULTS

In order to better understand the motivations of fashion-based subscription shopping, it is important to understand the consumer context. The first section of this chapter identifies participant's general shopping characteristics including general reasons for shopping, interest related to fashion information, preferred stores, and shopping budget. Also, online versus offline shopping percentage is evaluated to understand consumer shopping patterns and behavior in general.

The next section details subscription-related shopping characteristics of participants which include their reasons to enroll, product retention percentage, interaction with their stylists as well as their reasons to switch or stop services. Within this section, the subscription motivations address the main research question of this study. The final section of this chapter elaborates the role of a personal stylist or a curator in influencing participants' experience.

General Subscriber Shopping Profile and Behavior of Participants

This subsection discusses the shopping patterns and behavior of participants through traditional shopping channels other than subscription services. This analysis offers valuable context to the subscriber's interviews as they relate to their use of subscription boxes. The researcher was able to better understand their shopping related interest as well as their criteria related shop decisions. Information related to participant's preferences for certain brands and stores allows further assessment of consumers' breadth of shopping knowledge. Participant's ratio of offline and online store shopping offers insight into their motivations to look for other retail channels and tendencies to utilize innovative online retail channels such as subscription services.

General Reasons for Shopping

Participants described a variety of reasons for shopping which included getting dressed for work or a casual gathering or de-stressing after a busy day. Three participants responded to this question by mentioning "retail therapy" to describe their enthusiasm for shopping. Shopping was used as a mechanism for relaxation, enjoyment, and to escape boredom. According to Elizabeth,

If I have a really bad day, really bad morning, to me there is nothing better than going to the mall and doing a little sale shopping. (Elizabeth)

Steve, a legal editor, mentions he does retail therapy sometimes when he gets bored at work. Katie, a new mom, enjoys spending a lot of her spare time “shopping for clothes, accessories ... it’s a good way to spend my leisure time”.

Most of the participants shop for work-related clothes to look appropriate within a professional environment. For example, Jennifer, a marketing director, explained the reason for her to shop is “to look nice every day to go to work”. Again, based on their job title, few of the participants emphasized on their need to shop for work clothes that are conservative in style. For example, Elizabeth, a communications manager in a law firm, stated that she usually shops for work clothes that offer her a conservative look. She went on to say that she also does a lot of kids’ shopping as she has a young daughter at home. Similarly, for Stephanie “it’s more just practical” to have “appropriate clothes like business clothes and some casual clothes for work”.

Participants also indicated that they shop to update their wardrobe and find clothes for occasions and events.

I think, one of the main reasons that I shop is that looking for new things, things that I don’t have in my closet already, and then I also think, that I shop like for occasions. So, if I am going somewhere and I need a dress, obviously then I shop for that, or a new pair of shoes and then I think I also shop to refresh my wardrobe or pick up new things like as the seasons change. So, as I got in the beginning of the winter, I got a new pair of warm boots, or you know, new gloves, things like that. (Michelle)

There were a couple of respondents whose rationale behind shopping has changed overtime. Their reasons were more to establish their personal identity or improve their style. For example, Nicole mentioned that “as I have got older I’ve

wanted to improve my style. I have more of an interest in so over the years I have become more inclined to shop for that.”. Whereas, Steve clearly shopped to establish his identity as a male for himself and for others.

Well, I can give you an interesting perspective because I am actually trans. So probably it's not heard much of a perspective on it. And I have really been enjoying it because it helps me, so I was born and socialized female, and then I found that shopping especially for men's accessories has really helped me kind of feel more at home and it's kind of whole the world has opened up to me and openly claiming this identity that I have known for a long time. (Steve)

Online and Offline Brands/Stores

Participants mentioned a range of different online and offline brands and retailers when asked where they usually shop. In terms of departmental stores, participants shopped at Kohl's, Macy's, Target, Walmart, Marshalls, Boston Store, JC Penney, H&M, Nordstrom, and Sears. A few of the participants were more interested in shopping at high-end brands for specific product categories such as Karen Kane, Michael Kors, Ralph Lauren, Kenneth Cole, and Lilly Pulitzer. Other stores (online/offline) that the participants referred to as their go-to stores included Amazon, QVC, Old Navy, Zappos, Talbots, Ann Taylor, Loft, Chico's, Dwell and Slumber, Banana Republic, Victoria's Secret, Stein Mart, White House Black Market, Cabi, L.L. Bean, Lands' End, Garnet Hill, Brooks Brothers, Lululemon, Lucy, and Athleta. Participants preferred brands and retailers that offer easy return policies, free shipping, and convenient location.

In terms of beauty products, participants shopped at Sephora and Ulta. Department store brands such as Clinique and discount stores such as TJ Maxx and Marshalls were mentioned. Also, stores offering specific type of clothes like athletic wear or nursing-friendly clothes were also mentioned.

Online vs Offline Shopping Percentage

There was no consensus on the most preferred mode of shopping (online versus offline). Some participants preferred shopping at brick-and-mortar stores. Amy shops 70% offline and only 30% online and Maria shops as high as 90-100% from a store. Nicole said that she really doesn't do online shopping. While some were more specific about their offline shopping preference:

I would say 75 percent brick-and-mortar 25 percent online. I think online, I mostly purchase a lot of shoes because I have brands of shoes that I like, and I know are going to be consistent across sizes. As far as clothes, that's kind of a gamble, I feel like I really need to try things on, and often times it's easier enough in a store that way I can get different sizes... That's why I buy more clothes in stores and more shoes online so probably a 75/25 percent. (Megan)

Participants who preferred more online shopping indicated a variation of reasons. For example, Katie stated that she mostly tends to shop online now and said "I can't even tell you, probably the last time I went to a store. Other than just for groceries or something like that". Two of the participants, Stephanie and Sarah, explained that reasons of their higher online shopping were due to their enrollment with subscription services. Stephanie stated that her "brick-and-mortar shopping has

really plummeted” since subscribing to Stitch Fix as a result of which she now shops 75% online and 25% from offline stores. Sarah, who subscribed to a range of various subscription services in the past explains that she only did about 10% shopping offline. She stated that subscription services saved her time and energy and she never needed to shop for clothing.

Well, as far as shopping settings, I steer a lot away from actually going to a physical brick-and-mortar store... I lived overseas for 10 years... and when I did that I had no other option but to buy my clothing online... so I have gotten to the custom to doing that. So, I tend to look for online resources to buy any of my clothing. (Sarah)

Shopping Budget

As listed earlier in Table 3.2, the overall annual budget of the participants for fashion-related products spanned from \$200 to \$9600. Participants varied in their need to keep their shopping within a specific range whereas other participants indicated their expenditure to fluctuate yearly. Participants also noted integrating their subscription services within their budget.

And, when I first started Stitch Fix, I kind of told myself okay, that's my budget for the month. So, let's get the box and then whatever comes in that box its usually between \$150 and \$300, and I think, say if you buy everything, you would get a discount, so, you know, I first started thinking, Well, okay, then that could be my shopping for the month. But then you know, like a month is pretty long (laughs). (Michelle)

Information Search and Social Media Use

Questions related to information search patterns were asked to understand how subscription consumers search for information related to fashion. Results showed many participants follow the traditional ways of information search via magazines, newspapers, friends and family, television shows, advertisements, and websites. At the same time, most participants also use promotional emails, social media and blogs. For example, Emily, a 52-year old professor, tries to set aside few minutes from her busy schedule to simply breeze through magazines every 4-5 months and remembers promotional advertisements aired on television to when making purchase decisions for beauty products. She describes her social media use in the following:

I guess most of it would either be if I am looking on a Facebook feed and something pops up in an advertisement I may look at that, or if I am watching a television show ... there is an advertisement for something ... (Emily)

John, a brand loyal shopper explains his use of promotional emails:

... sometimes when you buy an item from a company, they keep on sending you emails and sometimes I unsubscribe. But if I feel the product is good, I would keep that email and then whenever I am in need of something ... I'll delete it though. Sometimes I even look it up when the time comes then I just I have that email and not have to guess (John)

Apart from watching and getting inspired from the TV show, Michelle also browses “different sites to look for different things”. She notices Stitch Fix products on the show *The Fuller House*. Her most frequented sites are Pinterest and Outfit of the Day Facebook group to get to know how she can mix and match clothes or what she refers as “outfit ideas”.

A fascinating information from Julia, a shopper who “really like having recommendations from other people”, gathers most of her information from the web. She avoids looking at magazines as she feels they are “either for a much younger crowd or too overdone”. She tends to glance every month at current trends from Stitch Fix and Trunk Club web pages and takes recommendations. She is a devoted follower of the blogger Cyndi Spivey which promotes subscription companies.

So, she every now and then will get a box from Stitch Fix or she'll get a box from Trunk Club and she'll do a reveal. So, she'll show everything that she received in those boxes, and then she tries them on and she puts pictures up there and she lists the prices. (Julia)

Julia relies on the blogger Cyndi Spivey's recommendations via her blog and personal emails for sales at stores and tips on putting together an outfit. Similarly, Megan follows fashion blogs in general but does not use it much due to her “fairly conservative work environment”.

Katie enjoys shopping from home on her smartphone and picking new trends through Instagram. Although she follows Instagram for all the shopping updates, she does not post or share any pictures on them; she purely uses it for informational purposes but not to engage socially or sharing her experiences on Instagram. Stephanie follows the Stitch Fix company blog to keep updated but does not consider herself to be an enthusiast when it comes to gathering fashion information. She said:

I mean, Stitch Fix has a blog. And they will send emails with suggestions of, you know, what's they are saying is in style. Other than that, I don't, I really don't follow any other fashion blogs, I don't get any fashion magazines. It's pretty much just whatever comes in the catalog or what I see in Nordstrom is what I interpret as kind of what's current. (Stephanie)

Shopping through Subscription Services

Reasons to Enroll

The researcher identified two broad themes related to how participants decided to enroll to subscription services: self-motivated and referred by friends/family. An example of self-motivated enrollment is Emily, a faculty member, got curious to learn about the subscription model while coming across it as a part of a case study:

I enrolled in Birchbox because it was part of a case study ... it peaked my curiosity, so I enrolled... so it was kind of for work but since then I actually reupped it... (Emily)

Steve heard about Sprezzabox multiple times on podcasts.

I kept hearing about the stuff on podcasts, the ads and when you hear over and over enough times, you are like, Oh, wow, maybe I'll google it. And I happen to be home recovering from an injury and I was working at home and just getting bored and losing focus, so I googled the stuff, and I was like, hey that looks interesting and fun. I will give it a shot. (Steve)

Nicole, who rarely shops online, saw the Stitch Fix advertisement on her Facebook feed and was “very intrigued by the idea of clothes coming to my house” and started browsing more about the company. A Cyndi Spivey’s blog enthusiast, Julia, first learned about Stitch Fix on Facebook and was exposed to the company from the blogs. Cyndi Spivey’s blogs also introduced her to Trunk Club.

Often friends and family play a vital role in a shopper’s decision-making. Maria’s friends who were subscribers to Stitch Fix were happily posting about their fixes on Facebook which is how Maria learned about the services and decided to try it.

Similarly, Megan's frustration with shopping grew because the clothes she shopped didn't seem to fit well and she found most of the trendy stuff were too casual to wear to work. She had been reading about the subscription services online and consulted her friends who were subscribers and recommended them. Elizabeth was looking for an alternative as her regular shopping venue was going out of business and she was referred to Birchbox by several of her friends who were active subscribers. She then went on to subscribe to Dia & Co. after viewing a Facebook advertisement.

To boost the number of subscribers, the subscription services have a "referral" feature where their subscribers can forward a referral link to their friends and families; this was evident for many of our participants. When someone clicks that link and joins the subscription, they get either a free box or other credits and waivers from the company. Many subscribers utilize this feature to gain benefits. For example, Michelle joined both the subscription, Stitch Fix and Rocksbox, using such referral codes posted by her friends:

With Stitch Fix, a friend of mine from college posted something on Facebook and she said she was doing Stitch Fix and she really liked all the things that they sent her, and she had included a link... And with the Rocksbox, a friend of mine started it. And when you have Rocksbox, you also have a referral code. So, if a friend uses that referral code, you get a free box. So, I used my friend's code and I said, oh, I can get a free box, might as well try it, and then I signed up. I feel like I need to get things and then of course keep them, because that fills up my wardrobe. (Michelle)

Several of the participants was gifted their subscription services from family members or gave subscription gifts to others. John was gifted his Stitch Fix subscription by his wife (Michelle) who was already a subscriber. Jennifer received

both her subscription services (Birchbox and The Zoe Report) as Christmas gifts. She commented on how convenient it is to gift accessories box versus a clothing,

And that's one of the reasons why my husband got it for me because it's an accessories box versus a clothing box. Because it's hard to buy for clothing wise ... (Jennifer)

Retain to Return Ratio

Most of the time, particularly for Stitch Fix, subscribers kept at least one item from the whole box because the styling fee gets waived if they keep at least one item from the box. Amy claimed that she had probably kept once or twice the entire Stitch Fix box in her two years of subscription but other than those exceptions she usually finds herself lucky to at least like one item each time she receives a box which she buys. On the other hand, Julia, given her innate fashion sense and ability to mix and match things, mentions that she usually keeps 90% of the Stitch Fix items she receives in her boxes while that from Trunk Club box she keeps 50%. Nicole said she ranges in between where she has never kept the entire box and never returned all the pieces from her Stitch Fix items. She also shared the reasons for returning the products which are mainly fit-related and not her style but also, she factors in the price of the product when deciding what to keep or return.

Further, the retain to return ratio depends on how well the subscriber feels his/her box is curated by the company or the stylist. As Michelle explained how her good rapport with her stylist accentuated the number of items she kept per box. Based on the notes she received from her stylist which basically replied to her questions and

explained how to coordinate the items in the box together, made Michelle keep close to 100% of the Stitch Fix box items most of the time. A similar account was given by John who was very impressed with the curation of his Stitch Fix boxes. Under his plan, he only received two boxes each year and so ever since he subscribed he has kept all the items in two of his boxes, with the very first box worth around \$300 of products. Unfortunately for Megan she experiences mixed results with her Stitch Fix boxes. At times she has kept one out of the five pieces sent to her whereas the other times she has returned the entire box as she disliked all the items of the box.

Another participant, Stephanie, who mostly for budget reasons, keeps half or less than half of the items from the box. The subscription serves only to fill in for worn out clothes and she does not necessarily have to expand her wardrobe. However, Katie used to keep all the five pieces from her Stitch Fix box although she liked only four pieces out of the five most of the time:

I would say that the majority of the time I kept at least 4 pieces and if I didn't like the fifth piece, a lot of time I would keep it all anyways, and just try to sell that back on Facebook or give it away to like a friend or family member or something. So, that's with majority of my fixes; I think I may be have returned something back only once or twice. (Katie)

With companies like Birchbox, Sprezzabox, and The Zoe Report which do not accept any returns, the subscribers like Emily and Jennifer used almost 90% of the products which they considered to be reasonably good for the subscription fee they paid each month. Maria who is subscribed to Le Tote - a rental subscription company

gave the below description on the number of pieces she wore from the boxes that were delivered to her:

So, sometimes, I will try something on at home and I think I like it, and wear it to work next day and it ends up shifting around here... where, you know, there is things that maybe I haven't noticed when I tried it on and it's nice to have that trial period to be able to see if I really wanna keep something....I would say that I am probably around 50% right now. (Maria)

Intervention by a Personal Stylist/Algorithm

Subscription model differentiates from the other retail channels based on the support by a personal stylist or in some cases through algorithms which produce a customized box experience for their subscribers. The researcher found this intervention plays a crucial role in forming consumers' perceptions about subscription services especially as they pertained to clothing subscription. To understand how it affects consumers' perceptions, it is imperative to learn about the different ways the personal stylists get engaged during the curation process of the boxes.

Sarah aptly framed the role of a personal stylist as "A wardrobe that somebody else picks for you based on whatever information you give to them". She notes that she can depend on the stylist to create a look based on customer information. For her, the interesting aspect is that sometimes she receives "things that you would never wear... if you have picked it yourself". Further she equates a personal stylist to an added "resource" for the subscribers and when asked if she needs recommendations to look good, she says:

*Everyone has a different view and getting perspective from other people, especially if you are working, sometimes will be better than not to have ... Since clothing is not my industry, things that you guys know I will never know.
(Sarah)*

The process that a stylist follows (or the algorithms in the absence of a stylist) varies from one subscription company to another. As explained by Amy (a Stitch Fix subscriber) the stylist selects a style based on the subscriber questionnaire and picks items that fits that style or look and ships the box. Sometimes the stylist puts a note in the box on how to style those items as an ensemble or as separates while also making references to the subscribers' past purchases. Birchbox uses algorithms to fill a box based on the subscriber's questionnaire. Occasionally, Birchbox will ask the subscribers to choose from a variety of short-listed options. Subscribers for Rocksbox can pick top ten items and drop it to a Make a Wish list; at least one item out of the three items in the box received will be from the wish list.

For subscription companies with stylists, a higher level of personalized services is observed where the stylists interact with the subscribers via email, phone call or just notes in the box. Michelle receives an email notification from the stylist when it is about time her box is being styled. This reminds Michelle to update her stylist on what she wants in her next box by just writing back or adding a link to her updated Pinterest board where the stylist can see examples of clothes pinned. Although there is no guarantee that the stylist will pick the exact same pieces that Michelle has pinned on her board, the stylist could select items that are similar in look or style. Hence, subscription services like Stitch Fix recommends subscribers to build

a dedicated Pinterest board and link it to their profile if the subscribers find that their boxes that they are receiving are more generalized or lack a personal touch. Stylists also use “style cards” to guide consumers on how to make an ensemble. Stylists also keep track of the various pieces for their clients for which participants can reference in future requests.

*I can put in there ... I really want to wear the stretch cords that you sent me in the last box and they are dark teal... I am looking for something to wear with those pants, you know for this wine tasting, and they will send me things, she will send me things that would match. That goes with that color if she can.
(Julia)*

Most of the participants described how their journey had been so far with their stylists with both good and bad experiences. Michelle elaborated how she had built a great working rapport with the same stylist in the first three years; however, after her stylist left the company four months ago, Michelle expressed how she is not having the same degree of success with her new stylist. Stephanie noted that she had a change in stylist after she started sending more items back.

Reasons to Stop Subscription

Multiple reasons were cited by different participants who stopped or paused their subscription service. For some it was their stylists who did not pay attention to their needs and preferences while for some others it was the company’s poor customer service. For example, Jennifer, who really liked her Birchbox subscription, stopped

after she perceived it to be “too much of an indulgence” and she didn’t really have to have a box every month for her beauty products. Elizabeth is planning to stop her Birchbox service after just three months of enrolling as she is not excited about the products she received so far. Julia tried ThredUp, a service offering used clothing, stopped after two boxes because she was not satisfied with the quality.

Most of the participants who had stopped their subscription at some point, expressed dissatisfaction with their personal stylist or that their personal stylist did not listen to their requests. Maria who was previously subscribed to Stitch Fix explained how she hardly received any boxes with items that fit her right. John felt the Trunk Club stylist called him too many times “like a salesperson selling” to sell items that were not as per John’s taste and constantly reminded him about losing the styling fee if none of the items were kept. He returned the first box and unsubscribed immediately. Other issues noted by participants included dissatisfaction with clothing styles and errors in processing returns.

Switching Subscription Service

Participant plans to subscribe to another subscription service offers interesting information on what is valued in the subscription services. Participants noted reasons for switching included curiosity with other subscription services, preferring a less expensive service, boredom and change in personal taste, and suitability of style with personal characteristics such as age.

Motivations of Subscription Services

The main purpose of the study was to examine the motivations of subscription services. Findings from the interview corresponded to the various types of motivations mentioned in the literature review. In addition, new emerging factors or drivers unique to subscription shopping offered an interesting context to what subscribers appreciated about shopping via subscription services.

Adventure Shopping

Shoppers' feelings related to adventure, thrills, stimulation, and excitement is attributed to adventure shopping (Arnold & Reynolds, 2003). Within the context of subscription models, participants note excitement or the anticipation of receiving a box and e-mails that notify them of the box delivery. They also note the excitement of being associated with getting "something different" or being surprised. Participants also associate the experience as being fun and something to which they look forward.

. . . because when that box shows up I'll get an email. So, I am at work and I know it's at home and I am like, can't wait to get out of work (laughs) to get that box and start trying everything on and I will say that a box doesn't sit for more than an hour at all before it's opened ... I am trying stuff on. (Julia)

Sarah relates her "anticipation" to that of "receiving Christmas presents" which are "something new... fresh". Megan and Nicole mention that although they are aware of the pending box in advance, they try to refrain from using the peek-and-see option

in Stitch Fix allowing the anticipation to build. On the other hand, Stephanie was unaware of the Stitch Fix phone app and said that she had a sense of surprise since she had no idea on what she will find when she opens the box. But as she found out and installed the app in the phone she notes,

but then I finally figured out that you could see what the preview is and so, I would do that. But it's still, I like to kind of think about it beforehand what looks interesting and what I might keep. (Stephanie)

The adventure aspect of subscription services is also shared as seen in the case of Amy in which she shares her husband gets excited too when she her box arrives and asks her to “try out stuff right away”. This aspect of shopping will be further discussed in the social shopping motivation section.

Gratification Shopping

Gratification shopping is associated with the shoppers’ feelings of receiving a special treat, therapeutic experience, upliftment from a negative mood to other gratification shopping descriptors (Arnold & Reynolds, 2003; Kang & Park-Poaps, 2010). In the context of subscription shopping, participants share emotions like “receiving a gift”, “getting a special treat”, and “retail therapy”.

Amy states that when she knows specifically what she needs she ends up shopping herself. But for the more “sporadic shopping” she considers subscription service useful as it is “more of a treat” for her versus, “*oh, I need something for this particular occasion*”. Megan, too, refers to getting a box of clothing items as “more of

a treat than a daily routine” and is “sort of a reward within reason”. Nicole calls her box “a present” even though she knows that she is going to pay for it.

Several participants describe shopping as “retail therapy” (Elizabeth, Steve, and Sarah). Sarah, a subscriber to MM.LaFleur, describes personalized services with a personal stylist as a feeling of luxury. Similarly, Michelle mentions having a personal stylist who “picks things out for me” is a luxury service and “obviously is not a basic need”. Jennifer with all her enthusiasm described how she got her Zoe box as a Christmas present from her husband and was impressed by the Big Box look with a welcome note from the company and felt like a treat in the true sense. Also, with her Birchbox, which was again a gift, she described how the first box “read her mind” as it had all the things she needed. Emily, a Birchbox subscriber, who likes the personalized touch feels a connection to the company even though she is aware that the company curates a box in a similar way for “hundreds of thousands of other people”.

I see it as kind of my little gift to me from me ... but that's my one little thing that I get... so it's just for me I don't have to share it with my sons... I think there is some kind of affinity that you get with the company... it's kind of like my own little respite, my little spa treatment to me for \$10 a month. (Emily)

Social Shopping

Shoppers who enjoy shopping with friends and family within the traditional brick-and-mortar settings are referred to as social shoppers (Arnold & Reynolds, 2003). For some participants, the social aspects of subscription shopping were limited

(Steve and Elizabeth). However, for many subscribers, there is strong evidence of subscription retail serving as a catalyst for social interaction. Subscriber participants shared accounts of how subscription services promoted their social shopping behavior. These personal references include - share with friends, family, coworkers, and stylists about their subscription experiences and engage on social media to seek and give advice about the subscription services as well as its products.

Many Stitch Fix subscribers share their experiences in their work environment and friends. Stephanie explains how she likes to bring Stitch Fix into any casual conversation with her friends or co-workers:

sometimes someone will comment on something I am wearing, and I say, oh, ... this came from Stitch Fix. So, actually... I just went to New York on a business trip this past week and a number of the items I was wearing were from Stitch Fix, business casual items, although it made me more, a little more dressy, but, you know, and I just said, oh, yeah, this is from Stitch Fix, this is from Stitch Fix, and they are like, oh, okay, so (laughs), they are like, oh, I guess, I have heard of that, but I've never really tried it and so, and then somebody said, oh, I have never seen a jacket like that... that's really unique and different, and they feel like the jacket I was wearing. So, you know, I do it like that, I mean I am not like, I don't really care if anybody of my friends, try it as well, to me, it's up to them. I mean ... it doesn't take away from my pleasure, I am gonna do that anyway, because it's such a useful thing for me, but I do like to, you know, I try to work it into the conversation if I can (laughs). I guess, that I have tried it. (Stephanie)

Similarly, Michelle shares experiences with her co-workers (five teachers in her school) and some of her neighbors who are all Stitch Fix subscribers. Michelle likes to talk about her subscription company whenever there is an opportunity and recommend it when someone compliments her clothes. She recollected an incident

where she met a woman on the street who exclaimed “Hey, I like your Stitch Fix shirt!”. Michelle added that some of the outfits Stitch Fix sends are recognizable which allows people to easily spot them and start a conversation.

Amy, a nursing professor with conservative style, offers a full detail on how she engages and discusses with her friends and family members about her subscription experiences. Amy’s husband gets excited when she opens the box and shares her experiences when she tries on her newly delivered items. In addition, she shares her Stitch Fix subscription experience with her co-workers and friends and enjoys receiving compliments about her Stitch Fix looks. Amy sends pictures of her Stitch Fix outfits to her daughters, who are trying to get her to experiment with her look. Amy also encourages her husband, a new Stitch Fix subscriber, to try to adopt new look and style with his boxes. Further, she is a member of one of a Facebook group of Stitch Fix subscribers and loves to see the different items subscribers receive and its prices.

Similar to Amy, Nicole describes how her family reacts when she receives a box in the mail. Her son, teases her when the mailman arrives and says “Oh, your Stitch Fix is here”. When Nicole gets excited listening to the Stitch Fix commercials in the car, her husband makes fun of her. Nicole, who is very expressive about her Stitch Fixes, says that her friends are tired of hearing about it from her and knows that she “gets a kick out of it”. Moreover, her neighbor, visits her house every time Nicole receives a box to share the experience.

Although John is a self-described independent shopper, he occasionally takes his wife's (Michelle) opinions in addition to his stylist's suggestions when in doubt. Michelle encourages him to occasionally try new pieces from his Stitch Fix box which he finds useful as it adds some color to his earth-toned wardrobe. He noted that guys don't usually talk about shopping but recalled an incident where he was wearing Stitch Fix outfits:

I was at a party and then one of the spouses liked my outfit and I happened to say, Hey, I got it from Stitch Fix, and the wife was like, Oh, I heard about that. You really like it? and then I said, yeah ... she was so open that her spouse would maybe get a box, but he was like, I am not trying anything ... Guess, you need to be adventurous. (John)

Subscription services use many sources of social media (e.g., Facebook, Instagram, Pinterest, and Blog) for advertising and marketing. In addition, there are many Facebook groups with members interested in a particular subscription company (e.g., Stitch Fix) with specific interests. For example, Michelle is very active on social media and belongs to multiple groups like Stitch Fix B/S/T (Buy/Sell/Trade), Stitch Fix Petite, Teachers who love Stitch Fix, among others. Michelle describes how members conduct transactions online and share experiences with fellow members in the group. Michelle also hears a lot of complaints about these groups where people speculate that since the company is growing so fast, it is not able to catch up with the demand.

I think it's just really fun to be part of the Stitch Fix groups that I really like and seeing what other people get in their boxes and then, being able to show things that I have gotten. Or again, seeing things that other people have gotten and then thinking, oh, I wanna get that too, and I think, I mean it has that

social aspect built in to it. I mean there is certainly not really between you and your stylist ... but interacting with other people who share the same experience. (Michelle)

Another Stitch Fix subscriber, Stephanie described how the B/S/T group on Facebook works and what the other members talk about. She was impressed how other women in the group builds a collage of items that they receive and then post it so that others can see what they have received in their boxes and can ask questions about the fit, quality, etc. This prompted her to check out how a picture collage can be created on the Stitch Fix app and post it on the group to get comments from the members. Usually, Stephanie uses this platform to make transactions online rather than comment on others but enjoys receiving comments on her posts.

Julia, an owner of five companies, began her Stitch Fix plan four years ago when a blogger recommended her the service with detailed information about the pieces she receives from the subscription service. Julia looks for Facebook members' posts / shares and how they transact via social media. She explains how people get their 25% discount by keeping the entire Stitch Fix box and then trades items online to interested members. Julia described that fellow members on Facebook share ideas on how they can wear less desirable items to try to make it work.

Convenience Shopping

Convenience shoppers are motivated by a shopping environment that can save time and effort (Swaminathan et al., 1999). Convenience is a significant motivating

factor in an online setting (Rohm & Swaminathan, 2004). Subscription services which deliver items regularly to a subscriber's home offer one type of convenience valued by shoppers. In addition, subscribers derive choice reduction benefits that essentially help them avoid the hassle of selecting things otherwise from a multitude of options.

Participants' work and lifestyle influenced their need for convenience. Many participants mentioned the needs to save time and effort in shopping. Amy recollected how as a young female she enjoyed the shopping experience but now she is busier with her work and can no longer afford to spend hours in a mall. Jennifer mentioned the easy shipping and return policies are useful for a professional and busy mother like herself. As such several participants considered subscribing to these services as a pragmatic solution to their changing lifestyles. For example, Katie, a mother of a 14-month old child, cannot imagine dragging her son to shopping malls and watching him while shopping.

Physical location of subscribers made them search for alternative ways of shopping. Michelle, an avid shopper, mentions that the 45-minute drive from her house serves as a "definite deterrent" to shopping at her favorite store (Lilly Pulitzer). She likes the subscription service concept where she gets a box of items which she can try at home and keep the things she likes and send the rest back. Sarah described how she had got accustomed to shopping online since that was the only mode of shopping for her when she lived overseas for ten years. She finds subscribing to these services as very convenient and gets a sense of luxury while not having to "deal with all the drama that goes into going to a shopping mall".

Some participants did not particularly enjoy shopping in a brick-and-mortar setting. For example, Julia feels stressed out when shopping at mall and claims it to be her “least preferable method”. Sarah reflects on how her partner would benefit from subscription services.

I think men actually really would be good with the box service because... my better half, he hates shopping... I literally went with him last week to a store... because we needed a jacket and he literally picked all 3 shirts within 10 minutes, tried them all, and started walking to the door, and he is like, I hate shopping. He only does it if he absolutely has to. So, I think with men they definitely would be good with having box subscription because of the simple fact that they absolutely detest shopping more than anything... if people have really busy schedules, new moms, subscription box would be fantastic. Like new moms like a subscription box with baby clothes will be fantastic. (Sarah)

Nicole finds the subscription service concept a “great use of modern technology”. Her detest for shopping is ever since she was a child, but it has grown now after gaining weight in her adulthood. As a size 16 with foot problems, she has lost the stamina to walk around in the mall and considers it to be an “exercising futility”.

Several participants noted the convenience of receiving a box of select items and not having to browse over multiple choices while shopping by themselves in online or offline stores. This saves their time and efforts that are otherwise put into the shopping process. Katie expresses her need for choice reduction in services.

I don't enjoy going to the stores at all. I don't enjoy the overwhelming experience of like tons and tons of options. I would much prefer like having someone do the hard work for me ... picking it out from all the millions of options they have ... instead of me going to the store and trying to decide on what might look good. (Katie)

Another aspect of convenience from subscription boxes is that subscribers can easily assess the compatibility of delivered items with their own existing wardrobe. Nicole mentioned that she likes the idea of receiving items that she can try at home in her closet with her own clothes and accessories and see what works for her and what does not. Unless going to a store or getting things online, subscription service gives her opportunities to try things at her convenience where she can explore compatibility with her favorite pieces from her wardrobe. Julia says she quickly tries clothes from her box and then starts thinking about how to wear them.

Like they send me a dress, so, I start then deciding, what am I going to wear with it? Am I going to wear nylons? Am I going to wear leggings? ... I am going to try it on with my blazers. I am going to try it on with my cardigan. And based on the little style card ... they show maybe each blouse with a skirt and with a pair of pants or with jacket and purse and shoes. So, I'll just start to think ... I have those other pieces. And I go look for them. (Julia)

Actual Value Shopping

Lee and Overby (2004) defined utilitarian value within the online shopping context as the actual value that considers the price savings from deals and discounts. Babin et al. (1994) referred to actual value as more objective rather than subjective. Since the subscription companies emphasize on various deals, promotions, and discounts to entice new customers or to retain their existing customers, it was necessary to consider the subscribers' perspective.

Participants talked about various deals, promotional offers, and discounts that were offered by the subscription services which motivated them to either subscribe with the services or to continue their subscription plan longer. For example, several participants cited a referral system by subscription services (e.g., Trunk Club, Stitch Fix, Rocksbox) that motivated them to promote the services to their friends in return for receiving a free box the following month or getting a credit from the company for their upcoming purchase. Michelle started subscribing to Rocksbox after using the referral code her friend had sent her to receive a free box the first month.

Most of the participants (subscribers to Wantable, Trunk Club, Stitch Fix, MM.LaFleur) described how the styling fee that they pay for each box gets waived if they purchase at least one item from the box. Additionally, John references how Stitch Fix offers discount if the subscriber purchases more items from the box and said, “the more you keep the cheaper it is”. Michelle thought at the time of enrollment that she will buy her entire box each month to get a 25% discount and that will be her overall monthly shopping budget.

Maria explains the deals she receives from Le Tote which operates differently as a rental service. She pays a \$49/month subscription fee regularly for unlimited boxes; if she keeps the entire box sent to her then the fee next month is waived. In comparison to the Stitch Fix subscription which she had subscribed to previously, she said:

especially in comparison with Stitch Fix, it's a lot less disappointing if a shipment comes and nothing really is quite right or I didn't really like the way it looked, I can put it in the mail the next day and another package comes 2-3

days later... if I buy everything in the box then maybe the next month is free and so if I like 4 of the 5 items I got then I will keep the fifth one because then I don't have to pay the fee the next month... and then most of the items are a little bit discounted versus if you were to buy them brand new in a store.
(Maria)

Megan described how the members of the B/S/T Facebook group trades their items in a way to extract value from selling their Stitch Fix pieces. Megan explained how the Stitch Fix lures their subscribers by offering them the 25% discount on the entire box which essentially makes it cheaper to buy five items instead of four. The subscribers grab this opportunity to buy the entire box and then the item(s) they do not like they sell it at discount to the other members of the trade groups. Megan expressed how she was also taken into this lure of discount:

So, I think at first, I was a little more inclined to overlook the things that I wouldn't if I was in a store because of the lure of the discount. I am thinking, oh, I really love these 3 pieces, you know I'll make these other two work, so I can get the discount. (Megan)

Amy hopes that Stitch Fix should offer few more perks and discounts to their loyal subscribers:

I wish that they would have may be a little bit of a different promotional types of things. Like may be for your birthday that you get a little bit more of a credit or that this month the styling fee is waived or something like that. You know, I wish it was ... there were few more kinds of perks or opportunities like that. But that's just from me, wishing some of those things. (Amy)

Perceived Value Shopping

While utilitarian value is more objective, perceived value is more subjective and personal though it also provides a similar positive experience to the shopper (Babin et al., 1994). Perceived value is consumers subjective judgement of the companies' offerings which may or may not reflect actual value. Hence, the researcher investigated perceived value in addition to actual value through indicators of perceived risk, investment, and value for money.

The Birchbox subscription service, with a \$10 per month fee, was considered a low risk type of shopping for many participants. Emily mentioned that there is not "much skin in the game" as with \$10 a month there is a "very little risk" that the box a subscriber receives will go completely wrong. Amy, on a similar note, considers herself fortunate to like at least one item per Stitch Fix box every time because it helps her retain back the styling fee. Amy indicates she would not have subscribed if the styling fee for Stitch Fix was any more than \$20.

Elizabeth mentions "value over price is more important" for her which she gets from her service. Michelle expressed how she gets upset when she reads the posts of her fellow members on the Facebook group complaining about their stylists and the company. She thinks that a box of five items of clothing is "not a big deal and in the grand scheme of things it means relatively nothing". Jennifer reflects on the value of her Zoe box.

it just depends on how much more... I don't want to feel ripped off... I like to see that I am getting the value. If somebody says this box is worth \$300 but I go on Amazon and see they have that exact same thing for \$40 I'd be upset

about it. So, it's got to be realistic. But if they say you know this box is worth a \$100 and you go on Amazon and you can get it for \$80, then I am probably okay with that. It's a matter of degree. (Jennifer)

John notes it is “worth investing” in Stitch Fix and Birchbox because he gets hold of things that is difficult to find at the stores near him. Julia, a quality-seeking shopper, compares Trunk Club items’ quality with those of Stitch Fix and says that Trunk Club offers higher quality but is expensive at the same time. However, she continues with the Trunk Club subscription because she knows she is getting what she is paying. Nicole, who is high on convenience shopping, feels that the styling fee she pays is worth the convenience the service offers her. For Le Tote, Maria said:

So, it's not necessarily a big financial commitment either or a big-time commitment if you try to get multiple things which is kind of builds periodically to get few new pieces. And it's nice to be able to try them all in my living room... And that's one of the things I like about the subscription services. And Le Tote in particular it kind of lets me try some things without having to have a lot of risk into it. (Maria)

Megan tries to evaluate in terms of a “cost per wear” type of scenario. She explained how she picks her clothing in a non-subscription shopping setting where she pays more for a “statement piece” like a leather jacket but less for like tank tops which gets hidden under the cardigans. So, she spends more of things that adds value to her wardrobe, or in other terms, on items from which she can get most out of. Talking about her subscription experience, Megan said that she once received a box from which she didn't like the items except one but didn't think the quality was worth the price. And so, she stopped her Stitch Fix service for 4 months and then restarted it:

I think it totally depends. I've got a few pieces that I feel are, that are high quality and I would pay that much if I ran across them in a store. I have got one of my more disappointing boxes as I got 5 pieces where it felt like, you know, I may pay \$20-\$25 for this at TJMaxx and that would be ok. But I am not spending \$50 on this where the quality and price didn't quite seem comparable. (Megan)

Sarah's experience with her Stitch Fix subscription was good but she felt the prices were bit higher than what she would "have expected for that named products". She did not recognize the brands that she used to get in her Stitch Fix box and hence felt that the prices were expensive for an "unnamed item". Another of her past subscription, Wantable, used more named products that she could identify in stores like Nordstrom or other medium- to higher-end stores. And so, she felt more comfortable in spending more money on those clothes from Wantable since the pricing she felt was worth the convenience and luxury she received from Wantable.

Role Shopping

Arnold and Reynolds (2003) identified that shoppers who enjoy shopping for their friends and family are generally motivated by role shopping. In the current study, only few participants mentioned gifting subscription services. Emily had gifted her sister-in-law, for Christmas, a Birchbox plan for 3-4 months which she really liked and renewed after the plan expired. Similarly, Michelle gifted her husband a Stitch Fix box and a Birchbox which he finds very useful and gets his selection of items twice a year. Sarah, who is aware about her significant other's detest for shopping, talked about

how he gifted his brother a subscription plan with high end men's clothing. Though no participants explicitly mentioned shopping for gifts, subscription services may provide an ideal alternative to conventional shopping of gifts.

Idea Shopping

As noted earlier, idea shopping refers to shopping that consumers do with an intention to keep up with latest trends and fashions by browsing and purchasing latest products (Arnold & Reynolds, 2003, p. 80). In this section, themes that relate to this motivation are explored. Participants indicated three major themes that tap into idea shopping through subscription of fashion related products. These include variety, leveraging existing wardrobe, and style experimentation. Variety here refers to fulfilling the above-mentioned motivation by shopping for a diverse range of fashion related products. Leveraging existing wardrobe relates to subscribers' evaluation of items in the box vis-à-vis items in their existing wardrobe. Finally, style experimentation is about subscribers' willingness to try on styles that are different from their conventional way of dressing.

Variety Shopping. Rohm and Swaminathan (2004) included variety-seeker in the online shopper typology based on their motivations to seek for different products, brands as well as retail alternatives. In terms of subscription shopping, subscribers

experience products that are not typically available in online/offline stores.

Subscription services can give the subscribers access to new materials, styles, and looks.

Elizabeth specifically mentioned that she likes her Dia & Co. and Birchbox which send her brands that she generally cannot find in her local stores. Emily states she has only heard about 10% of the products that she gets in her Birchbox and the rest 90% are products with which she is unfamiliar. For her the “biggest benefit” is to be able to try many different products, from many different companies.

Another thing is that they sort of have access to other products that you may not even know about or see or have, or you know, there are things that they see that you don't see. (Sarah)

Michelle, a loyal subscriber to Stitch Fix, notes that when she first started her subscription about three and a half years ago, there were hardly any brands that she could recognize. But over time, she feels that Stitch Fix is trying “to cultivate maybe some more mainstream labels in their boxes”. She is familiar with most of the items she receives now. Michelle is aware Stitch Fix has a box plan called Luxe Box, with higher-end clothing and accessories from Kate Spade and Lilly Pulitzer (Michelle's favorite brand).

In addition to offering new products, subscription services have offered participants new ideas for buying. Birchbox and Stitch Fix services make John “explore new avenues and trends”. He learns about new materials through these services which otherwise he would not even have bothered to look. Especially during

Fall, when he grows his beard, he enjoys trying oils and fragrances from Birchbox “that are nearly impossible to find”. Maria does a little “idea shopping” with her rental subscription, Le Tote. There were periods of time before subscribing when she did not see anything new while shopping at a store. But now that she is enrolled in the service, she constantly gets new options to try. Katie feels that her stylist selects things for her that she might not have picked off the racks herself or even looked at it twice. But because it comes to her house she tries it and usually she ends up liking it which is how she gets to expand her wardrobe. Michelle likes that her stylist sometimes sends things that she seems to not like at first sight but later after trying them thanks her stylist for sending them.

Because there have been things that are coming where I am like, oh my gosh! I can't wear that. Like they sent me some shorts and they were patterned shorts and they were little shorter than I would normally wear. And I am just like, oh, oh, I am not going to like these ... I put them on and in front of the mirror, it's like, oh my gosh! These fits so well ... I mean they look great, so I am keeping them and sometimes I'll write back ... I was really nervous about these shorts, but I love them. Thank you. (laughs) Thank you, thank you. (Julia)

On the other hand, Julia also feels that because a box carries five items, she feels that the box can give a sense of limited inventory. This is particularly evident when she is shopping for an occasion in a brick-and-mortar setting and she is able to try on multiple items.

Leveraging Existing Wardrobe. Many subscribers speak about trying on items from the boxes with their already existing wardrobe. They also take cues from the style cards that their stylist puts in each box. Julia, a subscriber to Stitch Fix and Trunk Club, has a cork board in her office which is full of Stitch Fix style cards.

Well, there is a style card here with that particular outfit on it and they show it with a black raincoat. Ok, I am going to wear that tomorrow. (Julia)

At times Julia makes notes to her stylist to send her in the next box pieces that match up with clothes from her past purchases. Hence, in addition to updating her Pinterest board for her stylist, Julia puts a note to her stylist describing the occasion (like wine tasting with friends) for which she wants her next box.

I really want to wear the stretch cords that you sent me in the last box and they are dark teal... I am looking for something to wear with those pants". (Julia)

Her stylist follows her note and curates her next box accordingly. Julia is also creative with using her wardrobe for items in the box that she cannot wear.

I would say that I am really flexible, so if I get something and it's like, ok, this is white... I am never going to wear it because I am not going to wear anything that is white against my face. I just start looking for things. I look for bold necklaces, may be with a lot of color in them or a choker or a neck-scarf to get some color against my face ... I like the style and I don't like the color, I start doing things to make it work...If its loose from the body, I might belt it, or you know like tuck the front in, or something. (Julia)

Style Experimentation. Subscription services helped participants refine their style or let them think out-of-the-box when styling or dressing themselves. Even with

more conservative shoppers who generally opted for the same kind of clothes when shopping by themselves, subscription services opened new avenues to explore.

Elizabeth feels that Dia & Co. helps her “push the envelope on my style” by sending a box of clothes that she dares not to pick from a store. Though she gets judgmental while opening the box, she is pleasantly surprised when she tries it on and likes it. A loyal Stitch Fix subscriber for three and half years, Michelle feels she receives pieces that she would not have picked for herself. Though she still does not go for “overly trendy things”, she likes to try “just a little bit” outside of her usual style. Her husband, John, is at the same level of experimentation.

Oh, to some extent I can say I am. I am willing to try some things, you know. I like to give the products, the benefit of the doubt and the services too. (John)

Jennifer liked to experiment with the sample size beauty products she received in her Birchbox every month and then supplements it with a larger size from Sephora. Same was the case when she received her first box from The Zoe Report with shiny metallic accessories. She commented that these sorts of accessories she would never go out to buy “but it’s kind of fun to have...I’ll find an excuse to wear it at some point, I am sure”. Megan also thinks that the part of the service is to get their subscribers try things that they might not try for themselves. She once received a piece in her Stitch Fix with a medley of different fabrics which was something she would never have picked up had she been shopping herself. But she liked it after trying it at home. This to her is a benefit of subscribing to such services.

I know I would never wear anything with bell sleeve, personally. So, I know I can make sure that there aren't any bell-sleeved tops in a box. But on the other hand, I mean, you are kind of sticking with your same style, so it isn't making you try anything new. So, I think, the benefit is also trying something new.
(Megan)

Key Role of Personal Stylist/Curator

Most participants emphasized the key role that a stylist/curator plays in delivering the value proposition of online subscription retail. The descriptive profile (about how they portray themselves as a shopper) given by each of the subscribers also influenced their experiences with the subscription services. Hence, it is the interaction between the stylist and the shopper profile that concludes how a subscribers' experience would be with their subscription services.

It is usually assumed that when a stylist understands a subscriber's expectations, it should result in positive feedback from that subscriber. However, based on the findings from this exploratory study, the researcher observed an interesting interaction between how well a stylist listens to the subscribers and how flexible are the subscribers. Although most of the subscribers profiled themselves as conservative shoppers, at times they tried to be flexible and experimental with their style. This helps the stylists curate a box with items that the subscribers could use as well as experiment with to get that experience which otherwise they would not be able to derive if shopping by themselves.

Emily, who personally prefers natural makeup, explains how she receives occasionally a few items in her box that is not her usual style. Having used 90 percent of the products during the two years of her subscription plan with Birchbox, she sometimes gets a box with which she can experiment.

I think that maybe why once in a while they'll throw in something that might not necessarily be something that I would normally wear ... they'll throw in like a smoky eyeshadow, for instance, and, you know, my guess is that they are probably trying to see maybe she will try this. (Emily)

Apparently, while filling out the style questionnaire, a subscriber can share looks which he/she likes as well as looks that he/she dislikes. This can give the stylists a range of looks they can experiment with while curating the subscriber's box. Initially, the algorithms built in the system do give a range of looks a subscriber may prefer and ultimately purchase. The stylist - subscriber relationship also plays a part in forming opinions about the subscription experience. Maria stopped her subscription with Stitch Fix after her stylist was changed. As soon as she felt that her stylist was beginning to understand her style and curating the box as per her preferences, Stitch Fix changed her stylist. Michelle describes a comparison of her relationship with her Stitch Fix stylist.

It definitely varies; I had a stylist that I worked with for 3 years with Stitch Fix and, of course, over that time you develop a relationship, when you know, I write notes and she writes notes back ...you know like answer things in your note or explain why they sent you different things. So, that worked really well for me... And unfortunately, my stylist left, for the past 4 months, I have a different stylist. And it's not at the point where I was before, that I feel like she knows me well enough to pick things that she knows that I am going to like. So, she definitely listens to me, as she references that in her note and I know she

looks at my Pinterest board. But I am not having the same degree of success with her right now that I had before. (Michelle)

The feedback that the subscribers give to their stylists helps their stylists or the company to understand the subscribers' experiences with the subscription plan. Based on this data, the algorithm designed by the company, helps estimate how a stylist-subscriber relationship is developing. For example, Megan explained how Stitch Fix switched her stylist for good. Initially she was receiving boxes with items not to her taste and preferences and she sent most of the items back. Again, she was not aware that she had the ability to go in and request for a new stylist. However, in her case, the company's algorithm figured out her discontent and replaced her stylist. Her new stylist understands her style which helps Megan to have a better product retention percentage. Hence, in multiple ways feedback from subscribers are found to be useful within the subscription model.

I will share with you what I am thinking, what I like, what I don't like ... That's what they are looking for, so I am not afraid to share. They want my opinions and want me to help them to make the next box better. (Katie)

Another very interesting interaction observed during the interview, was that subscribers who tend to be more experimental with their looks are the ones who would like to make the stylist-subscriber relationship work to their advantage. However, due to multiple reasons these subscribers were not so experimental when shopping by themselves. Some attributed it to time pressure, others just did not like to shop by themselves. They liked the help of their stylist to style them and allowed their stylist to experiment and pick items which they would otherwise not pick by themselves.

Sarah, who has tried multiple subscription services, explains how she likes the fact that these services provide access to products that a shopper may not be aware. Typically, “there are things that they (personal stylist) see that you don’t see and so they may be able to provide the look that you are looking for”. She feels that a stylist helps a subscriber explore their experimental side by saying “there were things that you would never wear, you never would have worn if you had picked it yourself”.

Stephanie enjoys the aspect of having a stylist who can help her out from her “boring” clothes that she picks when shopping by herself. Though she claims her stylist is more classic, she encourages Stephanie by sending clothes that fit well, suits her height /weight and color preference, but at the same time “something a little different” that will work for her. Katie, too, ends up liking the pieces that her stylist sends her “out of her comfort zone” which she wouldn’t have got off the rack by herself or even looked at it twice in the store. But because it comes to her house and with the encouragement of her stylist she keeps things that suit her. Except for one time when she received a jumpsuit that she sent back, she has hardly sent anything back from her box.

A detailed explanation was given by Julia who due to time issues avoids shopping by herself. She calls herself a creative person who likes to mix-and-match things that her stylist sends her with her existing wardrobe to make the pieces work for her. She, too, experiences the same feeling as most others when she receives a box and looks at items in it - “there is no way this is going to look good on me”. But when she tries them on, it looks good on her and she ends keeping them. She explained how her

stylist got her out of a “style rut”. Mainly colors and styles that she never purchased earlier, she is happy that her stylist sends her. Further, she likes the surprise element with Stitch Fix which, unlike Trunk Club, does not let Julia preview the box before shipping it. This allows her to be experimental with her style as it gives a chance for her to try items at home and then decide.

It's got me out of my style rut... And it's made me see that, I can wear things, that somebody else picks for me and they can look really good on me and I feel like every day I look different. I like that. I don't feel like it's the same thing and with different color. (Julia)

However, on the other hand, a few subscribers sometimes found themselves in a situation where they felt that the stylist/curator was unable to meet their needs. This impacted their opinions about subscription service to the extent that some cancelled their subscription plan. John was really happy with his Stitch Fix subscription and the stylist with whom he was working, but when his stylist suddenly changed, he almost cancelled the subscription.

But then all of a sudden, my stylist changed, I noticed, and the one box they sent me I returned the whole box. It was totally not my style, I felt that they were not ... like they didn't know who I was and then I realized that this was a different stylist ... I almost dropped the box, like I did not want to do it anymore, but sometimes there is a good item that I know I can't find and it's worth investing in it. (John)

He expressed during the interview about his displeasure with Stitch Fix after this incident. Though he admitted that he might have missed an email from the company as he usually does not pay attention to most of the company emails. But he said there was a chance that the company did not send any notice and changed the

stylist without his knowledge or permission. Due to this “contributory negligence”, he almost received a box with ill-fitting pants which he returned entirely.

I was like, literally I said like, what is this? ... the pants didn't fit, they were too short or too tight in the leg. So as a consumer I need to be more aware that when they switch stylists then I need to be sending them a note saying that, this is what I like, or this is what I am looking from them in the next box. And then once I did that that was repaired. (John)

Given John's satisfying experience with the first box from Stitch Fix, he decided to try Trunk Club with hopes for a similar outcome. However, he was taken aback by the way their stylist interacted with him to curate his first box.

But with Trunk Club ... the stylist there, they call me ... they were more like a sales and not more like as a stylist and they were like ... We can get you this, and this for price; Maybe you are asking for this and you're going to get this, this, and I was like, Yeah, sure, sure. And then next thing you know, I was like, what did I sign up here for. And then the box, I returned it and the whole entire box, and I unsubscribed immediately. I was not happy! ... it wasn't the items I wanted, but more the price that they wanted to sell the items to me for ... and I was not happy. (John)

Chapter 5

DISCUSSION AND CONCLUSION

General Discussion

This research examined a new phenomenon in fashion retail. Subscribing to fashion products like one subscribes to newspapers is an interesting new trend. Little research has examined consumers' perceptions of this online retail model. Though at first it seems to be just another mode of distribution, it is a new concept of retailing. As seen in the results section, subscribers perceive shopping through subscription as an entirely distinct experience compared to shopping in the conventional manner.

Results from this research align with findings from extant literature about what motivates consumers to shop (Arnold & Reynolds, 2003). However, this research uncovered additional motivations that subscribers of fashion-related products indicated. Such motivations are unique to subscription-based shopping of fashion items. Therefore, findings from this research extend current understanding on why people shop for fashion-related products. Further, they underscore the need to systematically inquire into this new model that is becoming popular in online retail.

Based on the findings, an inductive exploratory model (Figure 5.1) is formed to explain the motivational constructs within the apparel retail subscription service and

the role of the stylist/curator. Many of the experiences of the subscriber are due to the support by the stylist/curator. The intervention of the stylist/curator is dependent on the subscriber's own attitude towards shopping and openness to explore with their style. The better the rapport with the stylist, the more satisfying experience perceived by the subscribers. Hence, the stylist/curator bridges the gap between the value proposition highlighted by the subscription services and the benefits the subscribers derive from enrolling in these services.

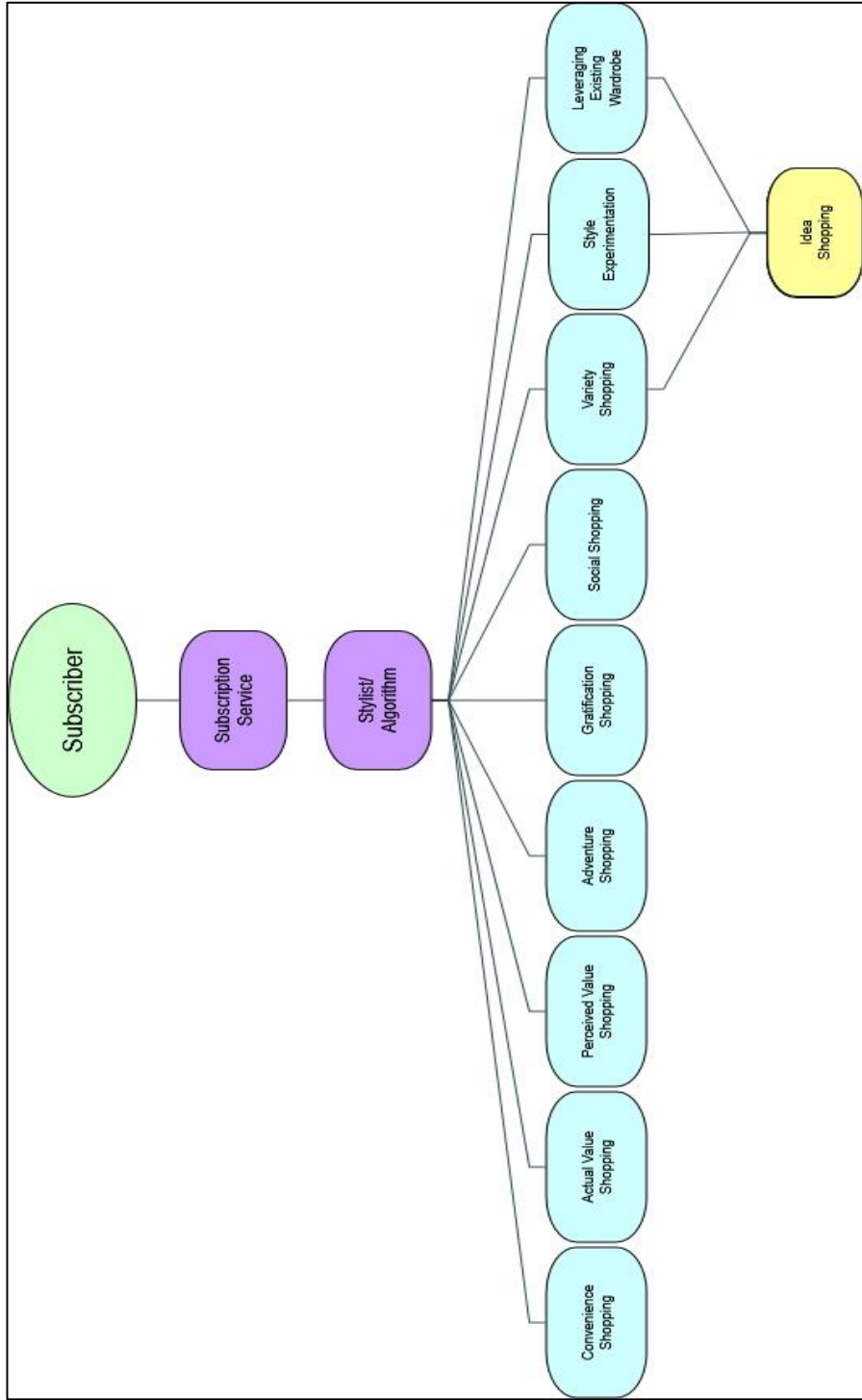


Figure 5.1. Exploratory model of consumers' motivations to enroll in fashion subscription services

As presented in the model (Figure 5.1), the utilitarian benefits derived from convenience shopping and actual value shopping motivations are facilitated by a personal stylist or a curator (in the absence of a stylist). In general, the ease of receiving a box of items delivered at home to be tried by the subscriber from the comfort of his/her home satisfies the convenience shopping motive of the subscriber (Rohm & Swaminathan, 2004). Further, it provides an effortless and hassle-free shopping experience for the subscribers short on time. As per the findings, a curated box sent to a subscriber's home, makes the subscriber want to hold on to the items more as they feel like giving it a chance against that of shopping by themselves through an online / offline store (Sarah). Hence, subscription shopping reduces the choice overload that consumers face and provides a more suitable and finite set of items to choose from.

Another functional benefit is the actual value that motivates the subscribers to enroll or to continue with the subscription services. Promotional offers, discounts, credits, free boxes, styling fee waivers, etc. motivate the shopper to subscribe to these services. In addition, it encourages the subscribers to spread the word to their friends and family by adding credit to their account or offering a free box of items. From the findings, it is evident that many subscribers were referred by their friends to join the subscription which offers both the referrals and the new subscribers exciting deals. Also, the subscribers try to purchase the entire box to receive the 25% discount from the company (Stitch Fix). Thus, the subscribers are motivated to take advantage of the deals from the subscription services by subscribing to it. Here is when the stylist's

efforts are most recognized by the subscribers. By curating a box specific to the needs and preferences of the subscribers, the stylist helps the subscribers keep the entire box and receive the discount.

Apart from these two motivational constructs, the stylist/curator was found to play an important role in delivering several hedonic benefits to the subscribers. Subscribers' shopping-related characteristics combined with the expertise of the stylist helped explain these emerging constructs. Motivated by adventure shopping, subscribers felt excited and thrilled on receiving the box curated from their stylists. A stylist helps in increasing their anticipation level, by not disclosing the pieces they will receive in the box. Though there are preview options available with some companies (e.g., Stitch Fix), some participants mentioned how they liked to not peek into their box before it is shipped to keep the surprise element intact (Megan and Nicole). However, in case where a stylist-subscriber relationship does not seem to work, the positive feeling of anticipation changes to anxiety.

Social shopping motivates a shopper to shop with friends and family to share the shopping experiences with them. In case of a subscription service, the subscribers seem to fulfil their social aspirations by reading and replying to the notes of the stylists or communicating with them through social media like Pinterest, Instagram, Facebook, etc. In addition, the subscribers enjoy discussing their boxes with other subscribers via social media. As shared by the participants, sometimes there are complaints posted by the Facebook group members. These include complaining about their stylists when a box is not customized as per the subscribers' needs and likings.

Sometimes, fellow members respond with suggestions to them to help the subscribers receive a better box in the future.

The experience of receiving a box of items specially curated for them by a personal stylist or an algorithm (in the absence of a stylist) gives a sense of luxury to the subscribers. They are gratified by the fact that a curator puts effort to style their box based on the preferences submitted and deliver to their home. It is comparable to the feeling of receiving a special treat (Emily). The box experience gets truly personalized when the stylist can “read the mind” of the subscribers and send a box of pieces that will look good on them (Jennifer). For subscribers who are motivated with gratification shopping, in general finds the box as a special gift from their stylist; though they do pay for it.

Although it is the company that provides special offers and promotions to their patrons, the subscribers derive a more personal and subjective value out of their subscription when the stylists curate the box for them. Since the box companies charge a mere styling fee which gets credited towards the purchase made, the subscribers consider the subscription model as a low investment option to their shopping needs. With the stylist curating a box of items that the subscribers may eventually buy and use, the subscribers find this to be a good “value for money”. According to one participant (Sarah), this reduces impulse purchases (Tao & Xu, 2017) that shoppers fall for when they buy items they would never wear. Subscribers also associate their shopping with the subscription services as a low risk because of the positive intervention of their stylist.

Moreover, with the subscription services the subscribers stay abreast of the changing fashion trends. Because of time crunch, it is difficult to gather information about new styles and looks that a shopper motivated by idea shopping would consider. A stylist satisfies a subscriber motivated by variety and idea shopping by providing access to new styles, outfit ideas, a variety of options for specific occasions, etc. Although a box limits the number of items (which is otherwise not limited when shopping in stores), the stylist helps adapt the choices to best suit the subscriber's preferences. This reduces the choice overload which negatively impacts the shopper while making a purchase decision (Kahn et al., 2013). Further, with the help of the "style cards" put together by the stylists, the subscribers get outfit ideas to explore the compatibility of the items in the box with those in their existing wardrobe (Julia). All these benefits derived from the subscription service via a personal stylist, fulfills the idea and variety shopping motivations of a subscriber.

Finally, subscribers benefit from the expert advice of their stylists to explore their experimental side. With the help of their stylist's encouragement, a subscriber tries new pieces of clothing and accessories and many a times gets pleasantly surprised by the way it looks on him/her. This gives the subscribers a chance to adapt to different styles and looks that otherwise they won't pick and try if shopping by themselves. Experimenting with style requires some encouragement and help which is provided by the styling experts. Essentially, a stylist helps them to come out of their comfort zone or "style rut" and be more experimental (e.g., Julia) with trying different clothing, accessories or beauty-related products.

Based on the findings from this study and the exploratory model (Figure 5.1) developed, several dominant themes emerged that explain the subscription model dynamics in relation to the consumers' motivations to enroll. Although the convenience aspect of the subscription services on which most of the companies advertise, was an influencing factor in determining consumers' decision to enroll, there were certain hedonic motivations that dominated as well. This included the feeling of anticipation or surprise and the fun experienced while exploring the box contents every time a box is delivered. A box was compared to a present or a reward that left subscribers feel gratified towards their stylist/company for putting in the efforts of personalizing it.

Another uniquely added dimension to the subscription service is the role of a stylist who encourages subscribers to try out new styles or looks which provides them the ability to be experiment. This benefit usually is untapped when shopping within conventional offline or online stores. Socializing over their box experiences with friends/family/stylists or with complete strangers was another important factor that the participants talked about in detail. These dominating themes could be further studied in more detail to evaluate its impact as well as look for possible relationships between these constructs.

Limitations and Future Research

This research study was limited in terms of its sample recruitment where only active subscribers were interviewed for the study. It filled the void in the academic literature to study their perceptions towards the apparel subscription services and the exploratory model (Figure 5.1) captures the motivations and benefits indicated by active subscribers. However, perceptions of participants who have never subscribed to this service is also valued. Such consumers make up a larger share of the market compared to their counterparts who are already subscribers. Inclusion of naïve consumers will also ensure that findings from future research provide insights to practitioners on how tap into the uninitiated consumers base.

Further, given the qualitative nature of this study, an in-depth interview method was used to understand participants' shopping characteristics in general as well as those related to subscription services. This limited the sample size to 14 participants and hence only their experiences were considered to answer the research question. A broader sample with a survey study using the constructs derived in the model (Figure 5.1) will help increase the validity of the findings from this research. This might also help create causal models on this topic.

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Appendix A

THE STITCH FIX EXAMPLE

Consider one such online styling service for women's and men's apparel and accessories - Stitch Fix. As stated on their website (www.stitchfix.com), their mission is to change the way people find clothes they love by combining technology with the personal touch of seasoned style experts. Utilizing a combination of subscriber's style preferences and the fashion expertise of their in-house stylists, Stitch Fix claims to help subscribers save their time and at the same time evolve their personal style over time. It carries clothing and accessories from over 250 established and upcoming brands and labels. Moreover, Stitch Fix also provides a multitude of subscription plans that include a plan for designer pieces which they term as the Luke Box.

Stitch Fix lists down 5 simple steps on its website for subscribers to receive an effortless and personalized shopping experience. The subscription process is simple. First, the subscriber fills out a Style Profile to let Stitch Fix know their size, style, taste, budget, and lifestyle. Next, the subscriber picks a delivery date to receive their box. For each box shipped to a subscriber, the company charges \$20 styling fee which is applied as a credit towards any purchase the subscriber makes from the box. After receiving the box, the subscriber tries the products and decides to purchase or return

the items within 3 days of receiving the box. A noteworthy feature of this service is that subscribers have the option to receive and return boxes for free. Finally, subscribers can provide feedback to the company through different modes of communication to let stylists understand them better in order to curate the perfect box.

Stitch Fix provides flexibility to their subscribers in several ways. Subscribers choose when they wish to receive packages. Subscribers can choose to receive a recurring package or just order a package when needed. Further, there is no monthly subscription fee. Average price for an item within a box is \$55 and each box carries 5 pieces of clothing and accessories. With their Influencer program, loyal subscribers receive various perks and benefits in return for their business. Additionally, there is a referral program in place where both the subscriber and the referred customer benefit from using the referral link. Stitch Fix also employs bloggers to promote their products and services through web-blogging.

Appendix B

UNIVERSITY OF DELAWARE EXEMPT IRB REVIEW



RESEARCH OFFICE

210 Hullihen Hall
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Newark, Delaware 19716-1551
Ph: 302/831-2136
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DATE: January 9, 2018

TO: Dipti Bhatt
FROM: University of Delaware IRB

STUDY TITLE: [1171675-1] Consumers' Perception towards Subscription Model in Online Apparel Retail

SUBMISSION TYPE: New Project

ACTION: DETERMINATION OF EXEMPT STATUS
DECISION DATE: January 9, 2018

REVIEW CATEGORY: Exemption category # (2)

Thank you for your submission of New Project materials for this research study. The University of Delaware IRB has determined this project is EXEMPT FROM IRB REVIEW according to federal regulations.

We will put a copy of this correspondence on file in our office. Please remember to notify us if you make any substantial changes to the project.

If you have any questions, please contact Nicole Farnese-McFarlane at (302) 831-1119 or nicolefm@udel.edu. Please include your study title and reference number in all correspondence with this office.

cc:

Appendix C

POST ON FACEBOOK PAGE

Hello!

My name is Dipti Bhatt. I am a graduate student in fashion studies at the University of Delaware. For my masters' thesis, I am studying consumers who use subscription services to shop for clothes and accessories.

I am looking for people to interview for my research. The interview should be around 45 minutes and a \$15.00 gift card will be given to each participant as a token of our appreciation for his/her time. If you are an active subscriber of apparel / accessories subscription services and are interested in participating in my study, please contact me at diptis@udel.edu. I would love to learn about your shopping experiences with subscription services! Thanks!

Appendix D

INFORMED CONSENT FORM

Introduction

This research titled “Consumers’ Perception towards Subscription Model in Online Apparel Retail” is conducted by Dipti Bhatt under the guidance of Dr. Hye-Shin Kim at the University of Delaware. You have been selected based on your experience with online subscription services.

Purpose of the study

The purpose of this study is to gather information about consumer experiences with online apparel subscription companies. Since subscription service within the apparel industry is a relatively new concept, we would like to gather information on how consumers benefit from subscription services.

Procedures

In this interview procedure, we will record your responses to the interview questions in an audio-format and transcribed. We will ask you questions about your background, the reasons why you use subscription services, and benefits you receive from subscription service. The interview will last for about 45 minutes.

Risks/ Discomforts

The interview questions ask about your own experiences concerning consumer behavior. There is minimal risk for participating in the study.

Benefits

You will receive a \$15.00 gift card at the completion of the interview as a token of our appreciation for your time and participation. While there are no direct benefits for participants, the data gathered and reported in this study will help researchers and the

industry understand how modern consumer needs are met through subscription services.

Confidentiality, compensation, and participation

All data obtained from participants will be kept confidential. Relevant quotes from this interview will be used within the final report and related publications. Numerical coding will be applied to protect your identity and you will be identified using a code instead of your name. Participation in this research study is completely voluntary. You have the right to withdraw at any time or refuse to participate entirely, without any negative consequences to you.

All the papers pertaining to the study will be kept in a locked file cabinet, and all electronic data will be stored in password-protected computer files. Only the primary researcher and the research advisor, who are directly involved with the project, will have access to those records. After three years, all the data will be carefully destroyed.

Questions about the Research

If you have questions regarding this study, please feel free to contact the principal investigator: Dipti Bhatt at 215-420-0059, or diptis@udel.edu; or the research advisor: Dr. Hye-Shin Kim at 302-831-8549, hskim@udel.edu.

Questions about your Rights as Research Participant

If you have questions regarding your rights as a research participant, contact the Institutional Review Board, University of Delaware at 302-831-2137.

At the beginning of the interview, the researcher will briefly go over this consent form with you and address any questions concerning this consent form and research. The researcher will also ask whether you consent to participate in the study.

Appendix E

SEMI-STRUCTURED INTERVIEW PROTOCOL

I. Opening

A. (*Establish Rapport*) [*shake hands/ greet*] Hello, my name is Dipti Bhatt and I am pursuing my Masters' degree in Fashion and Apparel Studies at the University of Delaware. First of all, I thank you for taking time out and agreeing to speak with me today. I am gathering data for a research project and your responses will help me gain a deeper understanding of the topic.

B. (*Purpose*) I would like to interview you and learn about your experiences with online apparel subscription services.

Briefly go over the Informed Consent Form.

Do you have any questions? By participating in the interview, we are assuming that you consent to participating in the study. Do you consent to participating in the study?

C. Interview Body

(*Transition: Let me begin by asking you some questions about your background, your interests, and your routine activities*).

I. *General demographic information*

1. Some background information: Name, age, education, occupation, household composition/who lives in your house, residing state/city

2. Please tell us how you feel about shopping for clothing in general.

Probes: 2.1 What are some reasons for shopping for clothing?

2.2 What are the most important criteria when shopping for clothing?

II. *Main Question*

(Transition to the research question)

Interview Question 1.

Think about your shopping with subscription service in general. Please tell us the reasons why you use subscription services, how you feel about using the subscription service, and benefits you receive from subscription services.

Follow up questions:

1. How you decided to sign up for subscription services?
2. Can you describe the process for signing up with the service?
3. Can you talk about your interaction with the stylist, if any?
4. Describe your satisfaction level with the subscription box that you receive.
5. What aspects of the service do you like or dislike? *(should be based on what is not already mentioned)*
6. Describe any good and/or bad experiences with the merchandise or service?

III. *Closing*

(Maintain Rapport) I appreciate the time you took for this interview. Is there anything else you would like to tell me about your experience with the subscription service that we have not covered here?

(End the interview) Your responses will add immense value to my study. It has been a pleasure speaking with you. Thank you. *(Hand over/mail the \$15.00 gift card as compensation for participating in the interview study.)*

Appendix F

CODING GUIDE

Code Label	Description
Actual Value Shopping	Receiving deals that include discounts, fee waivers, free boxes, credit to their accounts by subscribing
Adventure Shopping	Feeling of excitement, looking forward to receiving the box/anticipation, experiencing thrills and a sense of surprise
Age (in years)	Age of participant
Convenience Shopping	Time and effort saving, choice reduction, easy shipping and returns policies, inaccessibility to brick-and-mortar stores due to physical location, ease to try things at home
Criteria for Shopping	Shopping to attain proper fit and quality, to get required aesthetics and unique products within the price limit, to establish gender identity, to look younger, to dress appropriate for work, to suit one's style, to receive flexibility on shipping and return policies
Education	Highest degree of education
General Reasons for Shopping	Primary reasons to shop by themselves for fashion-related items.
Gratification Shopping	Feeling of receiving the box/opening the box is compared to receiving a gift, getting a special treat, therapeutic
Household Composition	Family members/roommates living in his/her house/apartment
Information Search and Social Media Use	Modes of gathering fashion-related information such as magazines, newspapers, TV shows; social media (Facebook, Instagram, Blogs, etc.); friends/family
Intervention by a Personal Stylist/Algorithm	Involvement of a personal stylist/algorithm in the curation process such as putting notes and/or style cards in the box, emailing the subscriber; referencing subscriber questionnaire, Pinterest boards
Leveraging Existing Wardrobe	How does the subscriber make use of the style cards the stylists send them; subscriber gets creative/discusses with

	the stylist to make an outfit by using the box items as well as his/her existing wardrobe.
Memorable Quotes	Important quotes to use in the paper; words/sentences that can strongly describe the motivations to enroll to (/benefits from) subscription services
Occupation	Job title
Online and Offline Brands/Stores	Participants preferred offline and online brands/stores while shopping for fashion-related items
Online vs Offline Shopping Percentage	Shopper's online versus offline shopping percentage and its reasons
Perceived Value Shopping	Subscribers' value perception of their subscriptions in terms of risk, investment, value for money
Product Category of the Subscription Service	Product category of the subscription service the subscribers are enrolled in
Reasons to Enroll	Self-motivated (curiosity), or recommended/gifted/referred to by friends/family/blogger
Reasons to Stop Subscription	Personal reasons to stop/pause subscription and/or reasons that include negligence of the subscription company or the stylists
Retain to Return Ratio	Contents from the box that the subscriber keeps versus returns; reasons for keeping or returning item(s) from the box
Role Shopping	Gifted subscription plan to friends and family
Shopper Profile	Description about personal style and preferences related to consuming fashion items
Shopping Budget	Overall Monthly and/or yearly shopping budget for fashion-related products
Social Shopping	Subscription service promoting social shopping behavior such as sharing experiences with friends/neighbors/family/co-workers/stylists as well as engaging on social media (Facebook company page, Facebook groups)
State, City	Residing state and city (current)
Style Experimentation	Subscribers interpret receiving out-of-the-box items from the subscription service to explore their experimental side
Subscription (past and present)	Enrolled in (discontinued/current) Subscription services
Subscription Duration	Duration of subscription of all past and current fashion-related services
Switching Subscription Service	Reasons of switching to other subscription service

Variety Shopping	Accessibility to multiple brands, new styles and trends, new materials or products through subscription services
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