Chapter XVII

Beauty is More than Skin Deep: Organisational Strategies for Online Consumer Risk Mitigation in Apparel Retailing

Mary Tate, Victoria University of Wellington, New Zealand
Beverley G. Hope, Victoria University of Wellington, New Zealand
Brent Coker, Victoria University of Wellington, New Zealand

Abstract

Buying and selling clothing can be a stressful and risky business for both consumers and retailers, even without the complications of e-commerce. Yet recent figures from the U.S. and from Korea show an increase in online sales of apparel. In this chapter we investigate the reasons for this through examination of the literature and research of best practice in a successful Australasian multichannel e-tailer. The chapter is organised in four sections. First we describe the apparel industry, and then we examine online...
shopping risks and their consequences, paying particular attention to consumer risks and consequences in the apparel industry. Next we present a set of organisational strategies that can mitigate customer perceived risk and conclude with six key strategies for success in online apparel retailing.

## Introduction

### The Apparel Industry

Research shows that apparel purchases are declining as a percentage of overall consumer spending. In 1993, households spent on average 6% of their total expenditures on apparel, but by 2003 this had dropped to 4% while expenditure on entertainment and dining out had remained stable or increased (Gardyn, 2003).

There are a variety of potential explanations for the changes in apparel spending. One explanation is the increases in industry competition and offshore manufacturing leading to lower per-unit costs. Where these are passed on, consumers are able to purchase the same quantity of apparel for a smaller percentage of their total expenditure. Lower prices, and hence reduced total expenditure, is supported by the movement to more casual clothing. The most regularly worn items for both men and women by 1999 were jeans, t-shirts, other casual shirts, casual slacks, and running or tennis shoes (Setlow, 1999).

More formal items, such as business suits, dress shoes, and jackets or blazers, had fallen significantly in popularity over the period between 1990 and 1999. Compared to previous decades, it is increasingly difficult to make generalisations about the buying patterns of apparel customers. A Belgian study of the retail

### Table 1. Six most regularly worn apparel items

<table>
<thead>
<tr>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeans</td>
<td>Jeans</td>
</tr>
<tr>
<td>Blouse or shirt</td>
<td>T-shirt</td>
</tr>
<tr>
<td>T-shirt</td>
<td>Sports shirt</td>
</tr>
<tr>
<td>Running or tennis shoes</td>
<td>Running or tennis shoes</td>
</tr>
<tr>
<td>Shorts</td>
<td>Casual shoes</td>
</tr>
<tr>
<td>Casual slacks</td>
<td>Slacks</td>
</tr>
</tbody>
</table>

*Source: Setlow (1999)*
Related Content

Manufacturing Connectedness: Managerial Challenges and Solutions
www.igi-global.com/chapter/manufacturing-connectedness-managerial-challenges-solutions/6135?camid=4v1a

Models of Customer Experience for B2C E-Commerce Enterprises
Yilei Pei, Wanxin Xue, Dandan Li and Yong Su (2016). Journal of Electronic Commerce in Organizations (pp. 24-33).
www.igi-global.com/article/models-of-customer-experience-for-b2c-e-commerce-enterprises/156550?camid=4v1a

The Role of E-Commerce Adoption Among Small Businesses: An Exploratory Study
www.igi-global.com/article/role-commerce-adoption-among-small/1505?camid=4v1a

Mobile Commerce Adoption: A Novel Buyer-User-Service Payer Metric
www.igi-global.com/article/mobile-commerce-adoption/37401?camid=4v1a