



## Fashion Subscription Retailing: An Exploratory Study of Consumers' Perception

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Fashion savvy entrepreneurs have developed new ways of personal shopping by letting the luxury come straightly to customers' doors (Needleman & VentureWire, 2012). E-tailers have been offering convenience and curated selections with regular deliveries (David, 2012). Subscription service has a long history in selling books, CDs, wine and diapers, and several startups have been using this business model to market apparel, grooming and lifestyle products (David, 2012). At the beginning, most of the subscription services in fashion were specifically for men, as men in general expressed a strong desire to dress more stylishly without knowing how (Mintel, 2016). By November of 2016, 7% of men were using clothing subscription service (Mintel, 2016). One of the most successful cases is Trunk Club, which was founded in 2009 and acquired by Nordstrom in 2014 (Bloomberg, 2017). The growth potential for subscription service for menswear is very optimistic. Recently, subscription services for womenswear have been booming up as well, with leading players like Stitch Fix.

With the increasing popularity of subscription service in the fashion industry, little academic research has been conducted to analyze this phenomenon. Being a new and nontraditional retailing method in the fashion industry, subscription service may bear a high level of perceived risks in consumers' mind. This current study was designed to explore young consumers' perceptions of and attitude toward subscription retailing service in the fashion industry. The results of this study will not only fill a gap in the literature by providing consumer insights, but also can shed some lights for companies' in their endeavors to excel in this new retailing venue.

As little is known about consumers' experiences with fashion subscription service, a qualitative research approach was adopted by conducting a focus group study. A total of 10 students (9 females and 1 male) from a Southeastern university in the U.S. were recruited for this study. The focus group was guided by a list of predetermined questions to probe the participants' awareness, perception, and attitude towards fashion subscription retailing. The focus group discussion lasted approximately one hour.

The results suggested that while none of the participants had the experience of using subscription service for their apparel needs, fashion subscription retailing definitely is not an unknown phenomenon to them. The main venues via which participants heard about fashion subscription services were social media. The participants reported that their first encountering with fashion subscription retailing occurred in the past five years. The earlier ones encountered by the participants include Ipsy and Justfab, with Trunk Club and Stitch Fix being introduced recently in the past year or two.

The participants reported varying degrees of knowledge of fashion subscription retailing. Some participants only had the mere knowledge of basic attributes associated with subscription retailing, including membership fees, regular delivery of quasi-customized products, and free return for unwanted items. In contrast, some other respondents indicated a relatively higher level of awareness of other attributes and functions in addition to the basic ones, including personal stylist service, preview of the delivery, no long-term membership commitment requirement, and others. The variation of knowledge seemed related to participants' interests in fashion and/or experiences with subscription services in other industries such as food and books.

Among all respondents, the following benefits were perceived with fashion subscription retailing. First, and the most important, the customized delivery might give customers the opportunity to try new styles and brands which they either do not typically purchase or may not have access to. Second, opening the delivery box with customized products may generate a positive emotional feeling of excitement associated with surprise. Third, the respondents mentioned the time saving benefit comparing to driving to brick-and-mortar stores for shopping. Finally, the participants mentioned that the subscription service may help the customers better manage their spending on apparel products and reduce impulse purchases.

The no-experience with fashion subscription retailing of the participants might be accredited to their limited disposable income that is typical of college students. However, the participants expressed some concerns and perceived risks which may hold them back from using the service now and even in the near future when they maintain a stable income. First, the concern of not being able to opt out was quite dominant among the participants. Second, participants indicated the concern of paying the membership fee for the months when they don't need apparel products. Third, while it is free, return of items in the delivery box not being retained due to fit or quality issues was perceived as not hassle-free. Fourth, the participants indicated the concern of time commitment for communicating with personal stylist regarding their needs. Fifth, missing the sales opportunity as well as the social perspectives of shopping in stores was voiced as another downside of committing to subscription services. Last, but not least, some participants expressed a concern of massive packaging and shipping associated with subscription retailing, which may leave a negative environmental impact. Surprisingly, privacy was not perceived as a concern. The participants did not mind at all sharing a detailed self-portrait with subscription retailers for them to provide more customized products/services.

In summary, this exploratory study suggests that fashion subscription retailing has gained awareness among consumers. However, consumers' knowledge of the service might vary greatly due to their involvement with fashion. While the key functions and attributes of the service were well perceived among consumers, the perceived concerns and risks were quite high as well. It is important for companies to develop marketing strategies to communicate benefits, but also to address concerns regarding the subscription service. Future studies can take a quantitative approach to further investigate consumer behavior toward fashion subscription retailing.

*Note:* Due to page limit, the full list of references will be provided by the author upon request.