How Can Kit & Kaboodal Develop Their E-Commerce Strategy in Order to Increase Their Online Sales to Women from Generation X in the UK Market?

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1. This report, as part of the graduation project aimed at attaining the BA title from the Amsterdam University of Applied Sciences, has been written and/or compiled solely by me.

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Online shopping is a huge part of British retail. Worth over £40 billion in 2014, it has grown 14.6% over the past 4 years and it shows no signs of slowing down, with a further 12.7% growth predicted to a total value of £77.6 billion in 2019. The online fashion environment is also growing, making up for 12.6% of all online sales in the UK in 2014, valued at £8.4 billion. (MarketLine, 2015)

Research also shows that women are the most powerful consumer group and have considerable spending power when it comes to shopping online (Barletta, 2014). Many retailers focus their attention on attracting the 18-30 market online. This is likely because of the technological barriers that older generations experience when looking to shop online. A study of senior women in the US confirmed that 48% of respondents feel elevated stress and anxiety levels when using the computer (Lee, et al., 2011). This coupled with cautiousness when shopping online, means that those that are less familiar with computers are likely to be less likely to shop online.

Generation X includes women born from 1960-1980 and is the generation that experienced computers and the internet after they had already started working. (Anonymous, 2006) I felt that this would be an interesting group to look at because this is a group that is likely to have a low debt, high disposable income and additional leisure time compared to younger generations (McCloskey, 2006). This is also a generation that has very mixed computer ability in the UK and I would like to investigate what brands can do to improve their sales to such a mixed group of people.

A smaller, independent brand made the most sense for this project. Smaller boutiques and independent brands in the UK are often targeting women of generation x as their overall quality is perceived as higher than that of high street brands and the spending power of this generation is greater than other younger groups. However, these brands are often limited by geography and cannot reach a large audience when they are just one or two shops in a certain area. With the online retail market growing as it is, brands are keen to reach out to new customers and subsequently grow their businesses.

I approached a few brands, but overall decided that Kit and Kaboodal make the best fit for my project. They are an independent online shop stocking ‘Made in Italy’ clothing, located just outside of Ripon in North Yorkshire, UK. They do most of their business online, but over the summer months they tour the UK, going to county shows to sell the clothes. This means that they have a small face to face interaction with the customers, but the majority of their business is online and they are looking to expand and see how they can attract and retain new customers online. Their customer base largely falls in the category of Generation X, and so therefore is a great match for my study.

Whilst I am focusing on a smaller brand, the research will hopefully uncover a number of different issues and problems that are barriers to online shopping for my target group. This has broader relevance for other smaller groups and other independent because this is a group that is not active online as a whole across the fashion industry compared to younger groups (Barletta, 2014) and are something of a missing market that has great spending potential.

**Aim**

The goal of my advice is to help Kit and Kaboodal increase their online sales and overall market visibility to women that are less familiar and confident with technology. This will likely take the form of a developed operational e-commerce and digital marketing plan for Kit and Kaboodal. This will take the form of a marketing and ecommerce strategy that does not focus on building a new website.
My overall research question will be:
What are the barriers that women of generation X experience in regard to shopping for fashion online?

I will then use the following sub questions in order to fully answer the main research question:

1. What do existing studies and analysis say about barriers for computer use and shopping online for women of this generation?

2. What do women from generation X feel is stopping them from shopping online?

3. To what extent can the barriers that women of Generation X experience be overcoming in regard to shopping online?

**Methodology**

In order to answer question 1, I will explore question by undertaking a literature review of secondary data in order to gain a better understanding of existing barriers, and studies that have looked at these barriers in online retail in general.

For question 2, I will use primary research in the form of focus groups to gain an independent and highly specific understanding of the women from generation X who are involved in online shopping for fashion, as well as those that have an interest in fashion but have never used online shops themselves. The purpose of these focus groups are to really delve into what these barriers are, how people feel about them and what would prompt them to shop more online for fashion. The focus groups will consist of 4 separate homogenous groups, each with 5-10 people collected by snowball sampling with a range of education levels. I will use a mixture of engagement questions before moving onto exploration questions and will end with exit questions.

For question 3, I will research the models and then use the information collected in my focus groups to see if their application would help these women to overcome the barriers and spend more money online. The sum of these questions will help me to answer my main research question and therefore allow me to give well researched and professional advice to my client.

**Structure**

The report will differ from standard report structure and look at each barrier one by one, assessing both theory and the primary research:

1. Barriers to Shopping Online
   1.1 Generational Issues
   1.2 Learning Barriers
   1.3 Security
   1.4 Payment
   1.5 Size and Fit
   1.6 Returns
   1.7 Website
2. Models
   2.1 Technology Acceptance Model
   2.2 Decision Making Process Model
   2.3 Retail Formula
   2.4 After Purchase Decision
3. Conclusion
Part I
Barriers to Shopping Online
1.1 Theory

Generation X were the first generation to adopt the internet when they were already senior (Hernández, et al., 2011) and studies agree that it is harder to learn new skills at an older age (Lee, et al., 2011). Despite this, studies shown that older people have low debt and disposable income and additional leisure time (Hernández, et al., 2011), giving them time and money to learn new skills.

Whilst some studies have shown that older users reported higher levels on anxiety when using the computer (Buse, 2009), other studies have also proven that customers feel that shopping at web based store is very convenient (Oh, et al., 2008). In addition to this, if people perceive the website as a whole in a positive manner then they are more likely to stay on the website. (Kim, et al., 2007) Whilst these studies were not specific to my target group, they do show interesting trends in consumer behaviour as a whole that I believe also applies to my target group.

Studies also show that older users need additional time to accomplish tasks and experience high levels of frustration and anxiety (Githens, 2007), this shows that using the computer in any capacity could be potentially frustrating for generation X, especially as 26% of older computer users reported lack of personal support as a issue they experienced when learning computer skills (Rosenthal, 2008).

Primary research

Overall, my respondents were fairly competent with technology, with almost all of the people I spoke to using at least one device to access the internet on a regular basis. The spread of devices did surprise me however, as laptops and mobile phones being the most popular method of accessing the internet with 53.1% of focus group attendees using a tablet and 56.3% using a mobile phone to access the internet (Jones, 2016).

Every single focus group respondent used the internet on at least one device, showing that women of generation X are perhaps more competent with technology than the studies suggest. Some members of the focus groups expressed frustration with websites that did not function as expected and this could be a barrier to shopping online for women of generation X. However, almost all people I spoke to used the internet to shop online in some capacity, even if just for food or electronics. Therefore, I don’t believe that lack of internet knowledge is a barrier for the majority of this generation.
1.2 Theory
Some studies have shown that peoples confidence with online shopping is based on how capable they think they are and if customers feel that they have more control over the situation then their confidence is likely to increase (Hernandez, et al., 2009).

Confidence was also increased by increased amount of information available on the site, especially company histories (Kim, et al., 2007) and once older customers were familiar with e-shopping and have performed one of more transactions, their confidence grew (Hernández, et al., 2011). Overall if customers feel that they have more control over the situation, their self confidence will increase (Hernandez, et al., 2009).

Primary research
Overall people were more confident to shop at well known brands and chose not to shop at independent brands for a number of reasons. The most popular reasons where the lack of information about fit and quality. My research shows that women of generation X are less confident about buying from brands that they know very little about and that have little information available. This research also agrees with the theory that confidence grows in brands once customers have had a positive experience with them.
1.3. Theory
For many older consumers, internet shopping is associated with higher levels of perceived risks due to an inability to physically examine a product prior to purchase. More information reduces customer concerns about security/privacy (Kim, et al., 2007) and some studies have shown that older users avoided activities online because of security concerns (Gatto & Tak, 2008). Some users did perceive online stores as safer when they had a thematic storefront design and picture based information (Oh, et al., 2008).

Primary research
My own primary research, both through the focus groups and the survey, found that security is a significant concern of this age group, especially the security of personal information. Less than 12% of respondents felt confident giving personal information to brands, this is something that was reflected in my focus groups as well with respondents saying:

“I’m very selective about the companies that I use, I wouldn’t give my details away to a random website” Participant 3.3

“I really hate giving my details away, because I just know how these things get passed from one company to another and I don’t want to be on these crappy list, the least information I need to give to be able to buy a product, the better.” Participant 1.4

Overall people were very concerned with the safety of their personal information and preferred to give as little information as possible.
1.4 Theory  
A study in north America has shown that e-commerce sites can convert up to 20% more customers into purchasing if they offer a wide range of payment options (PR Newswire, 2004). This study is a little bit dated, however, I do believe that the results are still relevant for my target group in 2016.

Primary research  
Concerns over security of payment was also a barrier that many women in my focus groups experienced when it came to shopping online, especially from new or unknown brands. One respondent said:

“I don’t like saving my payment details on websites” Participant 4.5

This was alongside numerous others agreeing and saying that they would prefer to use online payment system, PayPal on new or unknown sites to avoid giving unnecessary personal information to companies.

“PayPal is quite secure and this is a selling point” Participant 3.7

This was also reflected in the survey where 28.2% of respondents said that used PayPal as their payment method. Credit cards were also a popular choice, with 48.7% of people using this method of payment to shop online, this is likely because of the protection offered by credit card companies when shopping online, as was discussed in my focus groups (Jones, 2016). Not offering secure payment options could pose as a barrier to women of this generation when shopping online. Adding PayPal as a payment option could also persuade shoppers to try new brands that they did not know before as they feel that PayPal is a more secure option.
1.5 Theory
A barrier for many women shopping online, especially at unknown brands was the difficulties with sizing. This is reflected in a study that looked into what can be improved with online sizing for fashion, which said that sizing is a big consideration in peoples online shopping choices and experiences, and that people would overwhelmingly like guidance on sizing (Vecchi, et al., 2015).

Primary research
Focus groups and the survey also reflected similar opinions, showing that an overwhelming majority of 87.2% of respondents believe that they are not the same clothing size at various clothing brands. The follow quotes demonstrate some of the attitudes about fit of clothing online:

“I have a funny body shape, so unless you know a brand that fits you, you can keep on ordering with no success.” Participant 3.9

“You can usually judge the quality from the website, but it’s whether it fits that is harder to work out” Participant 1.2

Issues with fit are certainly a barrier to shopping online for women of generation X, especially when it comes to independent brands. Only 51.3% of respondents said that they shop online at independent brands or shops. For those that didn’t shop at these stores online, the most popular reasons were, unknown quality and not being sure about sizing. (Jones, 2016)
1.6.
Theory
Delivery and returns (sometimes known as post first purchase services) can be a real barrier to customers looking to shop online in general, not just in generation X. Some studies state that post first purchase services are the most important when looking to achieve customer loyalty and even the most experienced customers are concerned with delivery and post purchase consumer care (Hernandez, et al., 2009).

Primary research
The women I spoke to in my focus groups cited unclear returns policies as a factor that would stop them shopping online for clothing and if they had a bad experience, stop them from returning to that shop in the future. Similarly, good experiences made an impression on women of this generation and meant that they were likely to use that shop again:

“Some brands have been absolutely, and you know they’ve got the beautiful friendly emails, getting back to you really quickly and no problem just send this back to here, and it really made me think highly about the brand and I’d like to shop with them again.” Participant 1.4

This was also reflected in the survey, where 51.3% of respondents stating that they believe that clear and easy to understand returns policies are highly important when they are making decisions to buy clothing online (Jones, 2016). This significant percentage shows us that in order to access the generation X market, brands need to create consistent returns policies that are clear and easy to understand.
1.7 Theory
Convenience is hugely important to all online shopping consumers (Jayawardhana & Wright, 2009) and women of generation X find this to be the case when shopping for fashion online. Therefore, customers are looking for lots of information to make the selection process and have deemed information as highly relevant when shopping for clothes online (Kim, et al., 2007) and a 2008 study showed that customers perceived that they will save time and effort and obtain higher quality merchandise when they have more information (Oh, et al., 2008).

Primary research
Women of generation X are looking to gain as much information as they can from the website, whether that is care information or returns policies, they agree that the information needs to be clear and relevant:

“The website itself needs to be really clear, the images need to be really really good and there needs to be a selection of images so sort of like a bit with the video and have a lot of detail and the sizing” Participant 1.4

Women of this generation view shopping online as a convenient way to shop for clothes, especially when taking into consideration childcare needs for those in the lower end of the generational group, therefore they view online shopping as a time saving activity.

There was also some debate both in the literature and the focus groups about the appearance of clothing models and whether this was a barrier to online shopping for women over generation X. One study in the USA stated that older women prefer age matching models and models who seemed happy and healthy (Kozar & Damhorst, 2008), this was echoed by some people in focus groups, but there many people said that they the models used did not affect their decision:

“I’m used to seeing models that young so it doesn’t really affect me” Participant 4.4

There were also some people who actively did not want to buy things from models in the Generation X age group:

“I don’t want to buy anything from a model my own age” Participant 3.

Overall, the use of models is not a barrier to online shopping for women of generation X.
Part 2
Theoretical Models
When it came to combing my primary and secondary research, it made most sense to apply that research to some popular retail and branding models. This will help me to process my research and apply it to real life situations that will then in turn, help to inform my research for the marketing advice. I chose these models because of the relevance to the client as well as the target group. They also focused on different areas of the retail experience, from user experience of technology to brand identity and post purchase decisions.

I will use the models to analyse a realistic situation to help determine where the brand will need to make changes. It will also help me to determine which models are useful and which ones should be carried forward.

2.1
This is the most basic and original version of this model. Since it’s inception in 1989, many people have built upon it to increase the scope the results. I chose to use the original version because of its relevance for user end technology experiences, meaning that it works well with the idea of an ecommerce site.

Whilst this model was created in 1989, a time when technology looked very different from how it looks today, this model is still useful in determining how people accept the use of new technology from an end user perspective. This is highly relevant for my target group as it states that technology acceptance is not a matter of what technology is being used, but the person using it.

I have used the research I collected and then input this information into the model to see how relevant this model is for women of generation X. Initially women assess the website at face value and then assess the services available and they then ask themselves two very important questions: How will this website make my life easier and is this website easy to use? They then use the answers to these questions to determine whether or not the website will have a positive impact on their lives. From here they then make the decision to use the website and then for the final step, actually use the website.

This model is helpful to work out the decision making process of how women of generation X might encounter, assess and then accept this new technology. Whilst some say that this model is limited because of the fact that its findings are hard to generalise (Bradley, 2009), I found that through the research I have conducted that generalisations can be made about how women will approach and accept a new website.
2.2
This model highlights the steps that are taken by the customer when they are looking making purchasing decisions. This model shows all of the potential stages a customer might go through when they are looking for a product, online or offline. Not every step is used all of the time and whilst this is certainly a limitation of the model, all steps should be considered when analysing behaviour of any customer.

For this model I have used the example of searching for a basic white t-shirt, based on the information I gained through my research. Based on my primary research I have found that women of generation X are likely to choose brands they already know and have a good experience with, in the information search (second stage) of the model. This is very relevant as a barrier to entry for the company itself as they may find it hard to break into the online market as women of generation X are more likely to choose a known brand.

This can be easily improved with a strong SEO and SEM strategy that effectively targets the right audience. Whilst this is not really a user end barrier, a strong SEO and SEM strategy would be a great way for companies to rise up the search rankings and become more relevant in an online information search.

This also shows the importance of post purchase services in the assessment of a brand and how likely women of generation X are to shop at the same brand again. It has been shown both in the literature and my primary research that if women of Generation X have a good experience with post purchase services, when it comes to the next decision making process, they are more likely to choose a brand they know, and from all the brands they know they are likely to choose one that they have had a good post purchase experience with as returns and delivery rank highly on the things that women of generation x think about when shopping.
2.3
This model talks more about brand identity and its role in the shopper's perception of a brand. I chose this model because I feel that it will help pin point which type of selling points are more valuable when selling to women of generation X.

This model is more from a brand perspective but still works with the research I have collected. This model, combined with my research, shows that the most important things for women of generation X are not the emotional selling points. I believe that for women of this generation, brand image is not so important and practical information and information about consumer benefits are much more valuable. This means that in order to overcome barriers to shopping online for women of this generation, brands need to focus on their having strong rational selling points.

This is valuable moving forward, as it means the brand needs to focus on rational selling points rather than emotional selling points. The emotion selling points can be still relevant but overall the brand will build more loyal customers by focusing on promoting their rational selling points.
I chose this model because of its clear relevance to the research that I conducted. In both the primary and secondary research, post purchase services such as returns or customer services were deemed highly important. This model shows the process of purchase that someone might go through and highlights just how important the post purchase expectations are.

This is something that I hope to work on with the brand moving forward as this is an essential part of retaining customers. The aim of this research is to work out how best to attract and retain customers and from my research I have learnt what an important part of this, post purchase services make up.

This model is relevant for my research because it rounds up the whole process of purchasing with the added emphasis on the post-purchase evaluation. Also helpful here is the consideration of added value, comfort level, convenience factors and stress and the effect that this has on purchase behaviour.
Part 3
Conclusion
By answering all of my sub questions, I will answer my overall research question:

What do existing studies and analysis say about barriers for computer use and shopping online for women of this generation?
Existing studies say a number of different things about what constitutes a barrier to computer use, but there was one thing that most of the studies agreed on: women of generation X and older users in general experience higher levels of anxiety when using computers and the internet. This in itself might not prove to be a complete barrier, but when mixed with low self confidence of the user, it may prove to be a barrier to online shopping for women of generation X.

Whilst looking at the theory, I saw that self confidence was a big issue for women in generation X when it comes to shopping online. Whilst most women of this generation have some experience with technology and computers, it is often in a work capacity and therefore they may not see technology as something that is used outside the office and in leisure time. A study of more elderly women showed that once users had completed a transaction, they then felt more comfortable doing the same thing again at another time (Kim, et al., 2007).

Security of personal and payment information can also be a barrier to online shopping for women over 40. People are more likely to buy if there are multiple options for payment which means that a site that offers few or not a very diverse range of payment options is likely to attract less sales than a competition with more payment options.

Security of personal information is also something that could prove to be a barrier to online shopping for all age groups. Research has shown that older users have avoided online activity because of security concerns.

When it comes to factors to do with size and fit for women of generation, this is definitely a barrier and studies have shown that women overwhelmingly agree that they would like more guidance in this area.

Post purchase services are considered a highly important factor and potentially a real barrier to shopping online, according to the theory I looked at. If customers evaluate the post purchase services to be bad, their confidence to shop at that brand decreases. Some studies have shown that good post purchase services are the key to building customer loyalty.

When it comes to the website and how the website itself can be a barrier to online shopping for women over 40, there is lots of literature that agrees that if the website is not easy to use and perceived as a convenient way to shop, women of generation X will choose to shop offline or at other, easier to use shops. This barrier however can be overcome with clearer and more information as users perceive websites with more information to be more convenient.
What do women from generation X feel is stopping them from shopping online?
There are a number of things that can be said to be the reason that generation X is stopped from shopping online at all, or stopped from shopping more. Whilst the women I spoke to were fairly competent with technology, there were still some barriers to shopping online that I believe can be generalised for women of generation X as a whole.

Overall, the biggest barriers for women of generation X seemed to be the lack of information and unclear post purchase policies or bad experiences with these policies. Whilst most women were comfortable shopping online, they were reluctant to try new or unknown brands though they would consider them on a friend’s recommendation.

Security of personal information and payment information was a big concern and a potential barrier to the women I spoke to, and most women wanted to give away as little information as possible. A lot of women used PayPal because of its security features and ease of use.

Post purchase systems were one of the biggest barriers to shopping online for women of generation X that I discovered through my research. Returns policies that are poorly executed will put people off from shopping at that shop in the future. I believe this is a barrier to online shopping that is a problem that is most common in Generation X. Women of this generation are looking for convenience when shopping online and if post purchase services are hard or difficult this is likely to encourage users to shop elsewhere next time.

I believe that lack of information can also be a barrier to shopping online for women of this generation. As stated in the theory, the more information available the more likely women are to trust the website. Based on my research, I believe that this true for generation X. In order to overcome this barrier, websites should offer as much information as possible. This is especially true when it comes to information about size and fit. This could be in the form of reviews, which were popular way of gaining extra information, or with increased sizing information or extra information about fit or length. Lack of information is certainly a barrier, but it is one that can be overcome easily.

Websites should be easy to use and work well on a range of devices. Most of my respondents used an iPad to access the websites they shopped on, so it is essential to have a responsive website. Difficult to use websites can be a real barrier to shopping online for women of generation X.
To what extent can the barriers that women of Generation X experience be overcoming in regard to shopping online?
I believe that although there are quite a few barriers to shopping online for women of generation X, I don't believe that these barriers are insurmountable.

First of all, companies should provide as much information as possible about the garments fit, colour and style, this will enable to consumers to make more informed choices and lessen the returns. Reviews could then be helpful to provide extra fit, size or colour information.

Furthermore, I believe that many of the barriers that women of generation X experience can be overcome with a well functioning and easy to use website. This website should be responsive and work on a range of mobile devices as well as desktop computers and laptops. I believe that having a strong and well functioning mobile website will enable people to overcome ability barriers that women of generation X can experience.

Payment options like PayPal can help companies that are newer onto the market establish trust with their target group and should be an important consideration for brands. This also allows women of generation X to have better control over their personal and financial information, which is something that they are keen to have.

I also believe that in order improve trust and loyalty with the consumer, brands must make their returns process as easy and as efficient as possible as unclear and difficult returns policies are a significant barrier to shopping online for women of generation X.

Whilst I believe this research can be helpful when considering what barriers exist to women of Generation X and how they can be overcome, I acknowledge that there are areas of the research that are open to interpretation. The models for example could be applied in many different ways than the ways I have chosen to use them. I also acknowledge that the sample used for my primary research was too small to make sweeping generalisations from, but I do believe that the information I learned was still relevant to the overall aim of the product and will successfully help to inform the next stage of this project.
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