Chapter 25

The Role of Cross-Country Differences in International Fashion Retailing:
E-Commerce Development in Spain and the UK

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ABSTRACT

The development of the Internet as a retail channel has produced a change in the complete value chain, from retailers to consumers and e-commerce means a big potential for both of them. However, in spite of this potential, the level of e-commerce development in the different EU countries is very unequal with Spain and the UK exemplifying two extremes. This chapter aims to determine if differences in fashion e-commerce, between Spain and the UK are due to the heterogeneity of consumers' behaviours and attitudes through online shopping. The results obtained confirm that there is no homogeneity in the online fashion community, what means that retailers websites should design the online experience considering the characteristics of the local Internet users. The research provides a classification of consumers based on their motivations to browse or buy fashion through the Internet with relevant implications for fashion retailers.

INTRODUCTION

The Internet has broken time and space barriers (Griffiths & Howard, 2008, Schoenbachler & Gordon, 2002) changing completely the way people shop (Dittmar et al., 2004). Thus, the development of the Internet as a channel has removed the geographic borders making it easier for retailers to have access to global markets (Park and Jun, 2003) as they can operate in them without the need to have physical channels (Zhang et al., 2010). As a consequence retailers have to deal with international customers who can be very different in their personal characteristics and behaviour to their national counterparts (Barnes et

al., 2007). These differences in consumers' personal characteristics and behaviour can cause important problems for retailers (Walters, 1997). And even when consumer behaviour is similar in different countries variation in key contextual variables can be crucial (Walters, 1997). Because of that it is mandatory to know more about the shopping behaviour of online consumers (Donthu & Garcia, 1999) and to determine if we can consider global groups of consumers or if the local effects are strong enough to require the use of different strategies in order to increase e-commerce adoption (Chai & Paulov, 2004). This is the main objective of this chapter through comparative research in fashion retailing between the UK and Spain.

International expansion has been one of the main concerns for fashion retailers in the last years and the Internet has become a key channel for many (Moore & Burt, 2007). Main fashion retailers as Inditex, H&M, Topshop or Asos have a presence in very different countries and generally use the same websites. Mintel forecasts that online fashion sales will grow to reach £19 billion in 2019 and fashion has become the fastest growing and most popular category bought online in the UK (Mintel, 2014). In contrast, fashion online sales have suffered a reduction in Spain in the last year in a context of e-commerce growing and positive results of the clothing sector (ONTSI, 2013). Due to this situation, this chapter seeks to determine if differences in e-commerce, and specifically in fashion e-commerce, between Spain and the UK are due to the heterogeneity of consumers' behaviours and attitudes through online shopping. This objective will be addressed at two different levels. First, the digital fashion shopping experience in Spain and the UK is analysed and compared. Second, a shopper taxonomy based on fashion shopping motivations on the Internet is developed for both countries.

BACKGROUND

The Importance of Cross-Country Differences

Geertz (1973) established that cultures are composed of psychological and socially established structures of meaning by which individuals guide their behaviour. These structures include rituals, norms, traditions and shared content (Solomon & Rabolt, 2009).

Even when the globalization of markets is supposed to lead to the creation of a more common culture worldwide, the local context can make a difference in the behaviour of individuals from different countries (Park & June, 2003). Several authors have proved that these differences have an influence on e-commerce adoption levels and on consumers' online shopping behaviour, concluding that there is no homogeneity in the cyber-community and that consumers must still be understood in their local context (Chai & Paulov, 2004; Barnes et al., 2007). The reasons for using different channels differ between countries as well and retailers looking for expansion to other countries must have a broad value proposition to meet consumers' needs and expectations in those new markets (Forrester, 2011).

The influence of cross-country differences in online shopping behaviour has been considered by academic research. Based on their different levels of Internet expertise, Martínez-López et al. (2005) compared Spain and the United States concluding that the level of expertise produces different ways of formation of consumers' affective and behavioural responses to the Internet. The importance of cross-country peculiarities is present in Chai and Paulov (2004) analysis about the differences between Greece and the EEUU with regards to their level of e-commerce adoption. They found that online consumers' preferences must be understood in the context of their own culture and that consumers cannot be considered globally. Argument shared by Lee et al. (2007) and applied to the fashion sector affirming that

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