

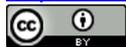
Study on Customer-Perceived Value of Online Clothing Brands

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Abstract

The development of network information technology and the acceleration of people's pace of life have caused online shopping to become an indispensable part of the lives of many consumers. Chinese online clothing brands have rapidly grown in this context. First, this paper introduces the development situation of Chinese online clothing brands and proposes that customer-perceived value may affect brand competitiveness. Second, this study designs questionnaires and conduct a survey of customer-perceived value of online clothing brands based on the literature review and obtains the scale of customer-perceived value based on online shopping. Finally, strategies and measures that could be adopted to enhance the customer-perceived value during the development process of online clothing brands are proposed.

Keywords

Online Clothing Brands, Online Shopping, Customer-Perceived Value

1. Concept and Development of Online Clothing Brands

1.1. Concept

Online clothing brands are also called network clothing brands or original network clothing brands, which originated from the concept of "Taobrand" proposed by the Taobao platform in 2009. They refer to the popular brands that built up gradually based on Taobao, and they usually develop from C2C shops. In June 2012, TMALL announced that it had renamed its 121 "Taobrand" to "TMALL Original" and that online original brands would focus on originality. These original brands featured creativity and an energetic growing trend that could facilitate the growth of the brands.

Online clothing brands have been theoretically studied by scholars. Pan Juanmei (2010) [1] defined original network clothing brands as "clothing brands that were developed based on the shops set up online using the ad-

vantages of the Internet”. Yang Linhua (2013) [2] pointed out that original network brands fall into two categories: 1) brands that developed rapidly and relied on the favorable resources of online retail platforms such as Taobao before traditional brands were sold online (e.g., HSTYLE and Masa Maso), and 2) niche brands that developed through accurate market positioning and uniqueness based on the polymerization property of the Internet after many traditional brands began to be sold online (e.g., TOYOUTH and Fashion Editor).

With the development of other online shopping platforms, the concept of online clothing brands continues to broaden. This concept refers to clothing brands that are sold online without a physical store. To differentiate themselves from others, some online shopping platforms have developed themselves into a brand incubation base to help online brands grow rapidly. Viewed from the current development, the concept of online clothing brands is also undergoing changes. Clothing brands that began online have started to set up their own physical stores and have begun to achieve an operational mode of “e-commerce + physical store business”. A new era that features the combination of online and offline business has begun.

1.2. Development

Most online clothing brands were developed from niche stores. Many developed quickly because of increased Taobao consumers and their own unique style. Before 2009, these brands joined together to form a group of “Taobrand”. The Taobrand had a unique design style, low product price, and accurate positioning in the market. Thus, they earned many customers.

The Taobrand elicited the attention of e-commerce platforms as their influence expanded. TMALL proposed the concept of “TMALL Original Brands” in June 2012, and offered a platform for the growth of the brands. The operational mode of the clothing brands shifted to B2C from C2C. Later, the brands began to sell and publicize their products on other e-commerce platforms, including JD.com and Vipshop. As their influence enhanced and as they were exposed to more consumers, they elicited attention from an increasing number of people.

Later, the media’s concern about the online clothing brands further expanded their influence. The online clothing brands entered a period of M & A and collectivized operation from early 2013 when RIP acquired Angel Citiz. Concurrently, the rapid growth of online clothing brands also elicited the attention of venture capitalists (VC). Many VCs turned their eyes towards online designers and their brands; they invested much capital rapidly within a short term, powerfully driving the subsequent development of the brands.

Established in 1998, HuiMei is a leading online fashion company in China. Presently, it has three main fashion brands, namely, INMAN, TOYOUTH, and A Life On The Left, as well as over 10 other personalized brands. Thus far, the brands of HuiMei have preliminarily formed an “ecosphere for online women fashion brands” that features style differentiation and complementation, and they appeal to many famous VC organizations such as IDG. In early 2015, HuiMei received an investment of CNY 324 million from the listed garment company SouYuTe, and it became an e-shop with the highest brand value and the highest investment amount in China. Additionally, INMAN, as the core brand of HuiMei, has set up physical stores since 2015. By March 2016, it has 256 physical stores across the country [3].

E-HYSTYLE was set up in 2006, and it is the largest online clothing company in China with a focus on ecological awareness. With “multiple styles, quick updates, and high cost performance”, E-HYSTYLE is widely recognized and trusted by consumers across the country. In 2014, E-HYSTYLE was the first company to lead in three assessments (*i.e.*, annual, “November 11” and “December 12”) in the history of TMALL. Its men’s wear won the first prize in the annual assessment among all TMALL original brands, and its children’s wear won the third place. In September 2014, Star VC, a venture set up by Li Bingbing, Huang Xiaoming and Ren Quan, invested in E-HYSTYLE, and it was their first investment project. Currently, it owns 37 original brands. In term of age, the brands cover clothes for children, adults, and the elderly. Its brand positioning comprises the Korean, European, and Chinese styles [4].

In term of functions of the garments, a shift has been observed from “to meet functional needs” to “to meet psychological needs”. The growth of online clothing brands reflects consumers’ pursuit for value in garment products in the context of online shopping.

As indicated by the 37th “Statistical Report on Chinese Internet Development Status” released by CNNIC in January 2016, the number of Internet users reached 688,000,000 by December 2015 and internet coverage reached up to 50.3%. By December 2015, the number of online shoppers in China reached 413,000,000, and a 51,830,000 increase (14.3%) was observed in comparison with that at the end of 2014 [5]. The online shopping

market has maintained steady growth in China. Additionally, as presented by the “Report on Core Data of Top 10 Pioneering Sectors in Field of Chinese Internet 2015-2016” released by the iResearch Consulting Group in January 2016, the sum of home furnishing and clothing sectors among all online product categories in China accounted for over 50% of the total sales volume, with their sales amount reached CNY 15.92 billion and CNY 10.36 billion, respectively. Their sales volume will continue to grow in the coming years [6]. With the rapid development of online apparel shopping, online clothing brands that depend on online shopping platforms (e.g., Taobao, JD.com, Dangdang, and Vipshop) are rapidly developing.

2. Concept and Dimension of Customer-Perceived Value

2.1. Definition

The theory of customer-perceived value (CPV) has recently become a leading area of research. An increasing number of scholars have found that an enterprise needs to understand the value of products and services from customer perspective to gain competitive advantage. The value is not decided by enterprises but is perceived and decided by customers. Therefore, CPV is a decisive factor in consumers’ purchasing behavior.

No consensus has been reached by scholars at home and abroad on the explaining method and perspective on the connotation of CPV. Broader definitions are advocated by some researchers. Zeithaml (1988) [7] suggested that perceived value could be considered customers’ overall assessment of the utility of a product or service based on the perception of what is received and what is given. Monroe (1991) [8] defined CPV as the ratio of the perceived quality and benefits of product or service relative to the perceived sacrifice by making payment. Kotler *et al.* (1997) [9] elaborated customer value from the customer perspective, customer delivered value, and customer satisfaction. They believed that customer delivered value is the difference between total customer value and total customer cost. Total customer value refers to the benefits that customers gain from a specific product or service, including product value, service value, person value, and image value. Total customer cost is the sacrifice made by customers to purchase the product or service, including monetary cost, time cost, psychic cost, and energy cost. Kotler also pointed out that customers are those who pursue the maximization of value when search cost, knowledge, flexibility, and income are limited.

Domestic scholar Dong Dahai (1999) [10] proposed that customer value is the comparison between product utility and customers’ sacrifice when consumers purchase and use the product. Bai Changhong (2001) [11] proposed that CPV is the ratio of the perceived benefits to the perceived sacrifice. Cheng Haiqing (2007) [12] considered CPV to be customers’ perception and assessment if the enterprise and its products’ existence, function, and changes adapt to, consist of, or meet customers’ needs during the interaction between customers and the enterprise and its products.

2.2. Dimensions

Early research on the dimensions of CPV indicated that CPV has two dimensions: perceived benefits and perceived sacrifice. As the research on CPV deepened, scholars proposed that CPV has multiple dimensions that vary among industries and fields.

As proposed by Sheth, Bruce, and Newman (1991) [13], the value offered by any product or service may be a combination of any of following factors: functional value, social value, emotional value, epistemic value, and episode value. In their study on the technological product market, Parasuraman and Crewal (2000) [14] proposed that CPV is a dynamic concept consisting of acquisition value, transaction value, use value, and redemption value. Wolfgang *et al.* (2002) [15] argued that CPV consists of three dimensions: related product features, related service features, and promotion features. Petrick (2002) [16] examined the CPV of the fashion industry and proposed that CPV has five dimensions: quality, currency price, behavior value, emotional response, and reputation.

Jiao Lina (2008) [17] proposed that the CPV in the smartphone market consists of health value, emotional value, service value, incentive value, and contingent value. Yang Jiangna (2008) [18] empirically studied CPV of medium-priced women’s garments and found a hierarchical structure of medium-priced women’s fashion CPV. The seven key influencing factors of the structure are service, price, attribution, intrinsic attribute of product, advertising, brand reputation, and extrinsic attribute of the product. By studying online games, Xiong Zengjing (2010) [19] found that CPV has five dimensions: social value, emotional value, functional value, he-

donic value, and sacrifice value. Zhao Jincui (2012) [20] posited that online shopping CPV has four dimensions, namely, product quality, service quality, website design, and brand image.

3. Questionnaire Design and Test

Based on previous academic studies and on the features of the fashion industry and online clothing brands, this study classifies CPV into the three dimensions of functional value, service value, and social value. Functional value mainly refers to the value perceived by consumers and generated by price, quality, time, energy, and other aspects during their purchasing process. In this paper, functional value is assessed from the perspective of price advantage, product quality, information quality, shopping convenience, and added functional value. Service value refers to the value of the basic website service and the brand's service that can be perceived by consumers when they buy clothes. This study intends to assess service value from the perspective of the quality of the basic website service and the quality of the brands' service. The basic website service is evaluated on the basis of website design and privacy protection, and the quality of the brand's service is estimated from four aspects: professionalism, empathy effect, timeliness of service, and quality of distribution service. Social value is the self-satisfaction and sense of belonging that clothes can bring to consumers in their purchasing process. As consumers' consumption level increases and self-awareness is awakened, an increasing concern about social value has been shown by consumers when they buy clothes. This study assesses social value from the aspects of online shop reputation, sense of belonging, C2C relationship value, and B2C relationship value.

In this study, the questionnaires are distributed to consumers with online shopping experience. A total of 120 paper questionnaires are distributed and 111 are collected, among which 87 questionnaires are valid. A total of 153 questionnaires are distributed online and 104 are valid. A total of 191 valid responses are collected. The analysis is conducted on the valid questionnaires.

3.1. Descriptive Statistical Analysis of the Scale

Descriptive statistical analysis is conducted on the samples. The indexes are buyers' age, gender, educational background, vocation, and income level. The descriptive statistical results are presented in **Table 1**.

3.2. Reliability Analysis of the Scale

Reliability analysis is used to assess the stability and consistency of the results of the scale. The analysis is made to assess the consistency among the outcomes of the same or similar questions that are obtained in different times or by different methods. The commonly used Cronbach's α is adopted by the paper in the reliability analysis. Although no unified standard has been set for the value of the reliability coefficient, the reliability of a scale is considered high if the Cronbach's α is higher than 0.7.

Table 2 indicates that the Cronbach's α of any of the three dimensions is higher than 0.7, thus showing that the scale is highly reliable.

3.3. Analysis of the Scale's Validity and Factors

Validity analysis assesses the validity of the questionnaire. Higher validity indicates that the questionnaire results can more accurately reflect the samples; otherwise, the questionnaire results may fail to reveal the reality of the samples. This paper mainly adopts exploratory factors to analyze and assess the structure validity of the scale. Bartlett's test of sphericity and KMO test are conducted on the questions to determine the significance level.

Table 3 indicates that the KMO value of the CPV scale is 0.916 and that the Sig value of Bartlett's test of sphericity is 0.000. These results indicate that the significance level is high and that factor analysis can be conducted.

Table 4 indicates that that the factor loading for the seven questions about functional value, nine questions about service value, and five questions about social value are good. Moreover, the questions have convergent validity and discrimination validity. The variance contribution of the three major components is 64.452% and the CPV scale is highly valid.

The abovementioned analysis indicates that the CPV scale of online clothing brands developed by this paper is highly reliable and valid and can be used to develop relevant studies.

Table 1. Descriptive statistical results.

Variable	Category	Number of responses	Percentage
Purchase frequency	1	48	25.1%
	2 - 3	82	42.9%
	4 - 5	36	18.8%
	More than 5	25	13.1%
	20 and less	12	6.3%
Age	21 - 25	91	47.6%
	26 - 30	75	39.3%
	More than 30	13	6.8%
Gender	Male	57	29.8%
	Female	134	70.2%
Educational background	High school and below	10	5.2%
	Junior college	32	16.8%
	Undergraduate	93	48.7%
	Master's and higher	56	29.3%
Vocation	Work in government agencies or public institutions	32	16.8%
	Work in enterprises	55	28.8%
	Proprietorship	11	5.8%
	Student	64	33.5%
	Freelance	16	8.4%
	Other	13	6.8%
	Monthly income	CNY 1000 and less	50
	CNY 1001 - 3000	57	29.8%
	CNY 3001 - 6000	51	26.7%
	More than CNY 6000	33	17.3%

Table 2. Reliability analysis results of the three dimensions.

Dimension	Number of items	Cronbach's alpha	Cronbach's alpha based on the benchmark
Functional value	7	0.866	0.868
Service value	9	0.927	0.928
Social value	5	0.892	0.895

Table 3. KMO and Bartlett's test results of CPV.

Kaiser-Meyer-Olkin test based on sufficient samples		0.916
Bartlett's test of sphericity	Approximate chi-square	2876.973
	df	210
	Sig.	0.000

Table 4. Factor analysis results of CPV.

Questions on the CPV Scale		Factor load capacity		
		1	2	3
FV1	I think that the clothing brand has a reasonable price.		0.739	
FV2	I think that the preferential policies corresponding to the membership levels of the clothing brand are reasonable.		0.521	
FV3	I think that the design style of the clothing brand is unique and very appealing to me.		0.599	
FV4	I think that the clothes that I have selected are consistent with the description about them.		0.657	
FV5	I think that the clothes that I have selected are up to my expectations.		0.583	
FV6	The clothes of the brand's online store are delicately packed, and exquisite gifts are often given.		0.671	
FV7	Buying products through the online store of the brand saves me much time and effort.		0.645	
SQV1	I think that the online store of the brand can offer sufficient and frequently updated products and information.	0.631		
SQV2	I think that the products in the brand's online store have detailed and real descriptions, which are helpful for shopping.	0.673		
SQV3	I think that the design style of the brand's online store is clear, reasonable, and easy to use and operate.	0.710		
SQV4	I think that the design style of the brand's online store is unique and can demonstrate the brand's style.	0.546		
SQV5	I think that the brand's online store emphasizes on the protection of consumers' privacy and personal information, so that this information will not be stolen, disclosed, or used for any other purposes.	0.588		
SQV6	I think that the customer service staff of the brand's online store has sufficient expertise and is capable of correctly answering all the questions that you ask.	0.776		
SQV7	I think that the customer service staff of the brand's online store is customer-oriented and can offer personalized service to customers.	0.736		
SQV8	I think that the customer service staff of the brand's online store can reply to customers' questions and handle customers' complaints quickly and effectively.	0.724		
SQV9	I think that the brand's online store can offer a quick and quality delivery service.	0.677		
SV1	I think that the brand's clothes enable me to leave a good impression on others.			0.748
SV2	I think that the brand's clothes make me more confident in social interactions.			0.777
SV3	I think that the brand's clothes can show my personality and style.			0.769
SV4	The brand's online store offers a platform for customers to exchange goods with each other.			0.662
SV5	I have established a good relationship with the brand's online store, and our relationship is better than that between me and other brands.			0.702

4. Suggestions

The main idea of CPV theory is that an enterprise should develop its products from the customer perspective because customers make purchasing decisions based on the value that they perceive. Therefore, online clothing brands must continue to offer customers a “value-centric” concept and elevate the functional value, service value, and social value that customers would buy. Therefore, customers can obtain a higher perceived value, and thus satisfaction, when they select products or services of online clothing brands. We present the following suggestions.

4.1. Make Improvements and Breakthroughs in Functional Value

Online clothing brands should not only guarantee the quality of products but also emphasize the uniqueness in design, including product design, package design, and image design, to establish a unique brand image and im-

prove customer satisfaction.

4.2. Improve the Quality of Fundamental Website Services While Guaranteeing the Quality of Products and Services

First, to improve the quality of service, focus should be placed on improving staff's expertise and suitability during the delivery process of services and on improving their familiarity with the brand's garments. Familiarity with the brand does not include only the price, material, size, and other basic information of the garments but also the brand positioning, design concept, and knowledge about clothes matching. Second, the quality of delivery service is also important. In addition to a thorough after-sales process, a standardized management of the delivery service is also necessary. Currently, most online clothing brands offer delivery service by cooperating with logistics companies. When establishing a cooperative relationship with logistics companies, clothing brands must inspect the quality of their delivery service, including speed, attitude, and breakage. In addition, regular assessment is necessary. Clothing brands can also develop their own delivery service to guarantee effective delivery service quality. Third, clothing brands can make their website design appear like a fashion magazine to safeguard the quality of the basic website service. The current "product + model" lacks innovation. The fashion magazine mode not only can display the diversity of products but also make shopping easier to elicit consumers' willingness to buy products and improve brand image. Clothing brands should also intensify the protection of consumers' privacy, for example, improve website safety, protect consumers' personal information, and provide reminders to consumers when they browse the website.

4.3. Improve Consumers' Perceived Social Value

On the one hand, online clothing brands should start by improving consumers' sense of identity. Consumers buy clothes in the hopes of obtaining a sense of identity. Therefore, online clothing brands should focus on a distinct brand positioning, enlarging the propaganda work in various fashion media, and enhancing their brand popularity and influencing power. On the other hand, online clothing brands should also improve consumers' sense of belonging. The development of the Internet has brought people convenience and has had a huge influence on people's social communication mode. As the pace of life accelerates and the pressures of life increase, more and more consumers would like to communicate with others through networks. The original network clothing brands should set up a platform for these interactions and develop regular activities to strengthen the relationship among consumers and that between consumers and vendors. Therefore, consumers feel connected to the product and accepted by the consumer group of the brand.

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