The Role of E-Commerce and M-Commerce in the International Strategy of Fashion Companies: A Qualitative Research in the Belgian Fashion Industry

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Abstract

This study investigates the importance of e-commerce and m-commerce in the international strategy of Belgian fashion firms. On the basis of a qualitative research with in depth case studies in Belgian fashion companies we explored the benefits of e-commerce in an increasingly globalized world. We found that e-commerce and m-commerce can mainly help fashion companies to maximize customer loyalty and gather detailed information on their customers. In the first years, webshops seem to be rather successful in raising sales within the existing segment of consumers, but not so much in attracting new international client groups or gaining profits. On the longer term, the combined strategy of e-commerce, m-commerce and social media will contribute to obtain a larger market share. The study also shows that Belgian fashion companies do not use their full potential to enter new international markets yet.

Keywords: e-commerce, m-commerce, fashion industry, international strategy.

Introduction

In recent years, the share of electronic commerce (e-commerce) increased in the total turnover of companies. According to Eurostat’ statistics (2014) this share increases each year in all member countries of the European Union and it is assumed that this trend will continue in the future. Not only the importance of e-commerce increases, but so does also the importance of mobile commerce (m-commerce). A survey of e-commerce in Europe (2013) shows that m-commerce has grown enormously in recent years and that this trend will continue in the future. According to BeCommerce (2013), in Belgium the creative sector and more specifically the fashion sector shows the biggest share of e- and m-commerce in total sales.

The potential for growth is very high for both sales channels and therefore it is important to define a sustainable strategy and address internationalization in a thoughtful and consistent way.

The rise of e-commerce and m-commerce are definitely a recent phenomenon and therefore scientific studies about this subject are limited. According to Doherty (2000), most studies focus on the motivation for internationalization experience of the company and the direction and volume of international activities in the retail sector and rarely on the desire to access new markets. The findings of Doherty are confirmed by an article of Elsner et al.
This paper is available at: http://www.journalcbi.com/ecommerce-and-mcommerce-in-the-international-strategy-of-fashion-companies.html

(2009) summarizing all studies on internationalization in the retail sector since 1990. The few existing studies on entry of new markets, are mostly from the perspective of a producer. Since not all aspects of the internationalization of production are important for retail companies, cautiousness for these differences is required and therefore Doherty (2000) concludes the following: “Consequently, while the literature on entry mode strategy in the manufacturing sector can be used in this instance to highlight issues of potential interest to international retail firms, the uniqueness of the internationalization of retailing must form the central element in any analysis of entry mode choice within the sector.” In previous years, the focus was on the entry modes via webshops of small, often start-up companies in the fashion industry. A suggestion from Shamaeva (2014) was to analyze the same for larger companies, possibly multinationals. Based on the aforementioned findings, and responding to the recent growing new trends in the retail sector, the central research question of this study is the following: What is the importance, role and impact of e-commerce and m-commerce in the international strategy of fashion companies?

The purpose of this research is to examine the effect of the rise of e-commerce and m-commerce on the international strategy of fashion companies.

We start with an extensive literature study followed by some related research questions or propositions. After having explained our qualitative research methodology, we will report the main findings form the case studies, showing how fashion companies integrate e- and m-commerce in their internationalization strategy and what the main results are. We conclude by a discussion and some proposals for future research.

**Literature study**

This section provides an overview of the most relevant, recent literature on both e-commerce and m-commerce. We start with a general explanation of what e-commerce is, which role it plays in the 'New Economy' and the benefits it offers. Next, the framework of Ekeledo and Sivakumar (2004) will be discussed, explaining how service companies enter new markets, and that the choice of entry is closely linked to the degree of service digitization and internal and external factors. Finally, m-commerce will be discussed as well as a joint strategy for both e- and m-channels with social media.

**E-commerce as a dynamic factor in the ‘New Economy’**

This section first explains what e-commerce really means, then it pictures the role of e-commerce as a dynamic factor in the "New Economy." Finally, the relationship between the degree of service digitization and e-commerce capabilities will be exemplified in international markets.

*E-commerce as a dynamic factor for economic growth and new entry modes*

The global financial crisis affected the world since 2007 and had a negative
impact on global trade by a falling demand. This decline was global, but was particularly noticeable in the US and the EU (Savrul Kılıç, 2011). Although there was a decline in global trade, the average trade in e-commerce throughout the European Union grew slightly every year.

Figure 1. Share of e-commerce in the global trade of the EU since 2004. Source: based on data from Eurostat (2014).

Recent figures of Eurostat (2014) show that the share of online trade across the European Union rose to 14 percent in 2013. In some countries such as Ireland and the Czech Republic this share even rose to more than a quarter of the total trade. On the other hand, countries such as Bulgaria, Cyprus, Greece and Romania show limited shares of only 2 to 6 percent.

Kılıç and Savrul (2011) analysed the different stages of globalization, making a difference between the "Old Economy" and the "New Economy." After the Second World War, the last stage of globalization was accelerated through technological progress and evolutions in terms of computers, communications, energy, and suchlike. This progress led to more prosperity and a more conscious consumer. The last stage is the transition from the "Old Economy" to the "New Economy", known as a knowledge- and innovation-based, digitized, fast and global economy.

Figure 2. National shares of e-commerce in 2013. Source: based on data from Eurostat (2014).
In this 'New Economy' Kiliç and Savrul (2011) suggest that e-commerce is the main dynamic factor. Although electronic communication is used since the eighties of the 20th century, electronic technology is only widely used since the late nineties of the century.

According to a report by the OECD (1999) on the economic and social impact of electronic commerce, e-commerce leads to the creation of new products as well as to a growth in the economy and production. E-commerce would therefore also lead to an increase in competitiveness and a decrease in production costs among companies. If a company would trade through the Internet, this would enhance a "reverse production cycle", whereby the quality of existing products is improved, followed by an increase in the efficiency of the process and finally the creation of a new product. That process would ensure economic growth, which is necessary during a recession.

Figure 3. Reversed process by e-commerce.
Source: based on OECD (1999).

Kılıç and Savrul (2011) concluded on the basis of the above arguments that e-commerce stimulates economic growth, and can be used as a successful entry mode to enter new markets. Therefore it has an advantage over traditional marketing during a recession.

**Sub-question 1: Which advantages does e-commerce offer to international fashion companies in today's globalized market and why?**

**E-commerce**

In order to find a good definition of e-commerce, we first refer to the work of Chaffey (2009) who states that many people make the mistake of seeing e-commerce only as a financial transaction between a company and consumers. His statement is that e-commerce consists of several aspects, in particular communication. This process is not limited to the provision of information, but also incorporates the provision of goods and services by electronic payment. The process, which he refers to, is the use of technology to automate the transactions. The service offers the opportunity to reduce costs and at the same time to increase the speed and quality of the process. Chaffey (2009) then refers to the online part, the online buying and selling of products and collecting information. He concludes that e-commerce is not just the financial transaction, but it also includes everything that happens before and after the sale in the supply chain.

Vila and Kuster (2011) state that companies when developing their website, should take into account customer satisfaction, confidence and reduce the
insecurity perception. Consumers visit websites very often, but do not make purchases frequently because companies often do not pay attention to one or more of those factors.

Figure 4. Key factors for building a well-designed website and effects. Source: Vila and Kuster, 2011.

Figure 4 shows the key characteristics of a good website according to Vila and Kuster (2011). The usability factor refers mainly to how easily and quickly a customer can navigate to a website. The content factor refers to the amount of information and quality. The service related factors refer not only to the service during the purchase, but also before and after. Finally, the security or safety appears to be another very important factor. A consumer will be less inclined to enter data, on a website that does not seem safe. In addition, they conclude that young online consumers of textile companies attach more importance to the usability-, information and security factors, than the service related factors. That does not mean that the service is unimportant, but that in the short term this is not the main factor. The authors also demonstrate that a good layout enhances the usability and product information and variety enhances the informative presentation of a website. An optimum range of services can improve online services and security indicators increase the feeling of safety.
Sub question 2: How do fashion companies maximize their customer loyalty and give consumers confidence to make online purchases?

Sub question 2 is examined in terms of the key factors of Figure 4, namely; the usefulness of the store, the amount of information and the quality of the service (before, during and after the transaction) and the perception of safety by consumers.

The relation between the degree of service digitization and e-commerce possibilities in international markets

Ekeledo and Sivakumar (2004) developed an interesting framework for service companies to enter new markets through e-commerce. They argued that the choice of entry into new markets is related to the degree of service-digitalization and internal and external factors.

Degree of digitization

Figure 5 provides insight in the impact of e-commerce on the strategy for entering new markets by service companies. The framework starts from the assumption that the degree of digitization of services has an effect on the location of the ‘service production’ and on the degree of control. Since every choice of entry mode depends on the desired control by the company, the degree of digitization and location of the service production is of great importance. A fully digitalized service would mean that there is no physical component in the service. This is almost impossible in the fashion industry, as long as the company sells physical goods. Therefore it appears interesting to
examine to what extend the fashion industry is digitized and what the link is to the preferred entry mode strategy.

**Sub question 3: To what extent has the fashion industry been digitized since the rise of e-commerce and what is the link to the international entry mode strategy of fashion companies?**

**External factors**

Figure 5, depicts the major external factors, influencing the choice of entry mode. Cultural differences between the home market and the new market can be an important barrier, since the service reflects the customs and values of a community. It's not only a barrier to conventional international trade, but also affects the design of electronic marketing tools such as websites. More particularly, this is an important barrier for websites that focus on consumers in countries with different cultures or languages and when local adjustments are required. In case of different languages and sensitivity to 'infringements' given by the consumers in a country, a local partner may be required.

Next, the regulations in a country also affect the entry mode. This is why a business in one county can start up with a subsidiary, while in another country with different regulations, a licensing or contract with a local distributor might be preferable. On the other hand, some products, packaging, ingredients or intermediaries and/or services might be (partially) prohibited in certain countries. Tariff barriers discourage imports because of increased costs and therefore encourage local production. Also non-tariff barriers can discourage imports by 'Buy Local' policies of local government.

Finally, the local Internet infrastructure plays an important role. If a country has a well-developed e-commerce infrastructure and dedicated workforce which is able to work with it, this will stimulate and facilitate an e-commerce strategy in a country.

**Sub question 4: In what way and to what extent do Belgian fashion companies take into account external factors in their online store, while entering new international markets?**

**Internal factors**

The framework of Ekeledo and Sivakumar (2004) in Figure 5, also shows the importance of some internal factors while entering into new markets. These factors can be divided into two subgroups, the company-specific factors and strategic factors. As company-specific factors they identify both the proprietary knowledge and the size of the company. The strategic business in this framework, refer to the objectives of joining a new market and outsourcing.

The protection of copyright, trademark or other proprietary assets are of great importance in the entry mode choice of a service company. Copying
behavior and other violations are not rare. Worldwide differences in the laws on patents and protection of trademarks have an influence on the entry mode into new markets. In countries with a lack of such protection a physical presence is a possible way of protection, to identify and prevent copycat. Raustiala and Sprigman (2006) argue that there is a paradox in innovation and intellectual property of companies in the fashion industry. It is generally assumed that when intellectual property is protected, time and money will be invested in innovation and little in copying, thus hampering innovation in countries where there is no protection. Despite frequent occurrence of copying in the fashion industry, there is also a lot of innovation. Unlike the protection in other sectors, designing clothes are not subject to intellectual property rights. Although designs are not protected, the industry continues to design clothing and accessories. Shamanaeva (2014) concluded that small high-end fashion companies mainly use quality, design and image as bonus points in their online store, despite frequent and fast copying.

Finally, the firm size is an important factor in the internationalization mode. Ekeledo and Sivakumar (2004) argue that the firm size is especially important for accession possibilities of partially digitalized service companies, because they need more capital than the fully digital service companies.

Sub question 5: To what extent and in what way innovation, design, intellectual property protection and firm size play a role in the choice of strategy for e-commerce of Belgian fashion companies?

E-commerce, m-commerce and social media
This section starts with an explanation and definition of m-commerce. Next, a joint strategy of both sales channels will be discussed together with social media.

M-commerce
M-commerce holds all e-commerce activities that (partly) take place through mobile terminals and make use of wireless telecom networks to communicate with the e-commerce infrastructure (Tsagaditou and Pitoura, 2001).

Similar to e-commerce, we can also distinguish key factors in m-commerce. Barnes (2002) explains this, referring to a basic model, shown in Figure 6. This model includes six key factors, divided into two groups, on the one hand Content and on the other Infrastructure and Services. The principle is largely similar to that of e-commerce, and is therefore not discussed further into detail.

Apart from the similarities between e-commerce and m-commerce, we distinguish the following important differences. Stafford and Gillenson (2003) make a distinction on the basic of transactions and access. According to the authors, e-commerce is used for the support and realization of transactions and m-commerce is to obtain information and to compare. Despite the fact that this statement is generally accepted, there are some new arguments that show...
some concerns. The authors state that in the year 2003, when the 'wireless protocol' WAP not managed the expectations. Since then, there are other protocols and the technology hasn't stopped, for example, the rise of the Smartphones.

Ten years later, a survey of BeCommerce (2013) shows that in 2012, 42% of the companies surveyed in Belgium are engaged in m-commerce. Half of all mobile purchases include clothing, followed by accessories with 38% of mobile purchases. Figures 7 and 8 show that m-commerce is used for similar purchases as in the entire e-commerce.
Figure 7. Most sold goods via e-commerce.
Source: BeCommerce, 2013.

Figure 8. Most sold goods via m-commerce.
Source: BeCommerce, 2013.
Figure 9 shows that in a recent study of BeCommerce, the main reasons to start with m-commerce, are both offering an extra service and generating additional internet business.

![Figure 9. Reasons to start with m-commerce. Source: BeCommerce, 2013.](http://www.journalcbi.com/ecommerce-and-mcommerce-in-the-international-strategy-of-fashion-companies.html)

Not only in Belgium m-commerce tripled, figures of e-commerce Europe (2014) confirm the exponentially rising rates throughout the European Union. Nevertheless, the adoption of m-commerce by firms remains low and the penetration by consumers high. Only 42% of the surveyed companies by BeCommerce (2013) engaged in m-commerce.

**A joint strategy for the commercial channels and social media**

Donlevy and Zott (2000) found that companies can use the Internet to facilitate the transaction more efficiently and that it provides benefits for both, the company and the consumer. For the consumer, the transaction gets easier and it saves them time; for the company it can reduce supplier costs, helps vertical integration and offering a wider range of products and services.

The authors also say that the "sticky factor" of firms can create more value through an increase in transactions. That factor is, according to them, of great importance by a growing number of online consumers, but also sellers. Some assets are; rewarding customer loyalty, personalizing the product or service, creating confidence in the transaction and the creation of virtual communities.

Donlevy and Zott (2000) recognize that the virtual market has different characteristics compared to the traditional commerce namely: better coverage, 'richness' and digital representation.

With the ‘reach’, the authors target primarily on the ability to connect to as many people as possible. Thus not only consumers, but also: suppliers, providers of complementary goods, vendors and more. There may be some restrictions on borders with the provision of physical goods, but in general there are no geographical boundaries. Anyone can buy and sell over the Internet.
Donlevy and Zott (2000) argue that "richness" occurs in a virtual market through a two-way traffic of information and that it has benefits for both parties. The impact of asymmetric information is lost and consumers know what and from whom something is purchased. Therefore there is a shift in power towards consumers, but the company also has an advantage here. There is a better understanding of the behavior and characteristics of the consumer purchases and thus the possibility of more targeted marketing and gaining valuable feedback. Therefore, offering complementary goods is also an option, which helps the consumer to save time when searching products or services.

The virtual market, according to the authors also constitutes a barrier to the consumer, by a lack of human contact. Therefore, there can be a lack of trust for the security of the transaction, the service may seem substandard or returning ‘bad buys’ can pose problems. This can be intercepted by making the transaction as simple and 'error-free’ as possible or by creating virtual communities.

As described, the virtual market has many benefits, but the lack of human interaction can be a barrier. Those barriers can be reduced by creating virtual communities and because all of the above are interwoven, a joint strategy for e-commerce, m-commerce and social media is of major importance.
Sub-question 6: To what extent a combined strategy of e-commerce, m-commerce and social media can contribute to obtain a larger share in the international (electronic) market?

Methodology
To respond to the main research questions that have been developed in the previous section, qualitative research is preferred here for the following reasons. Since internationalization via the electronic market is a quite recent phenomenon, the number of studies published on this topic is limited. (Elsner et al, 2009). In order to gain new insights and given the very recent and dynamic nature of our investigation, qualitative research is preferred. Qualitative research brings primary qualitative data by means of two techniques: participant observation and case study interviews (Saunders et al, 2011), combined with secondary data. This research makes use of both techniques, with a focus on two in depth-case study interviews.

Figure 11. Overview of research questions.
The participant observation implies that the collected data is gathered by observation in the field and by participation in the activities. Observing is here not only watching, but perceiving in general. This includes all data collected, from what people say, to documents collected (Baarde et al, 2013). This technique provided us relevant insights at conferences etc. on e-commerce in the Flemish fashion industry. Those insights are then used to develop the semi structured interviews and to draw conclusions.

We use semi structured interviews in this study in order to reach both aims: receiving clear and detailed answers to our research questions and also keeping the opportunity to obtain new insights and information. In this kind of interview, a list of themes and questions are used as a guideline, although this list is flexible and can vary in each interview. By using this technique, the interviewer can, depending on the case and the respondent, omit, change order or even add additional questions. The importance of human contact here plays according to Saunders et al (2011), an important role. "It is our experience that managers would rather be interviewed than to fill a (quantitative) questionnaire, especially if they find the topic interesting and relevant to their current work. An interview gives them the opportunity to reflect deeper on events." He concludes that managers prefer to be interviewed rather than to fill in a survey. Since the scientific literature published on this recent topic is limited, the general framework of our questionnaire is based on existing literature, but flexibility of the questions is high and necessary in order to obtain new information and results.

We selected our cases and respondents on the basis of the following criteria. First, the company must be active in the middle and/or higher segment of the fashion industry. Secondly, the company must be active in the electronic market and must also sell to consumers outside Belgium. Finally, the company must have at least one year of export experience. The respondents should be responsible for, and involved in the e-commerce activities of the company.

The primary data is obtained by conducting interviews and typing full transcripts of all interviews. All of the collected information is then represented schematically and encrypted, using the software of Nvivo. The qualitative data is categorized in a flexible way. The categories can be modified and / or new categories can be added. This enables us to reduce and structure a large amount of information, without losing valuable information.

In addition to the primary data, secondary data is also collected. The collection of secondary data happens documentary, written and non-written. The non-written data means that the websites of the selected companies and the relevant media reports are analyzed. The written data implies that media reports in magazines, newspapers and suchlike are included in our study. Also other information such as written surveys, censuses, statistics, databases, etc. are studied.
### Case Overview

Table 1. Overview of the main characteristics of the companies studied.

<table>
<thead>
<tr>
<th>Case 1</th>
<th>Case 2</th>
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<tbody>
<tr>
<td><strong>Function respondent</strong></td>
<td>CEO</td>
</tr>
<tr>
<td><strong>Origine Enterprise</strong></td>
<td>Flanders, Belgium</td>
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<tr>
<td><strong>Foundation Enterprise</strong></td>
<td>1963</td>
</tr>
<tr>
<td><strong>Foundation web shop</strong></td>
<td>2009</td>
</tr>
<tr>
<td><strong>Size Enterprise (turnover 2013)</strong></td>
<td>7-40 mio euro</td>
</tr>
<tr>
<td><strong>Size Enterprise (employees 2013)</strong></td>
<td>&gt; 250 employees</td>
</tr>
<tr>
<td><strong>Main reason for growth</strong></td>
<td>Organic</td>
</tr>
<tr>
<td><strong>Activities</strong></td>
<td>Production and sales of women’s wear</td>
</tr>
<tr>
<td><strong>Physical establishment Belgium</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Physical establishment Abroad</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>International active</strong></td>
<td>Yes</td>
</tr>
<tr>
<td><strong>% turnover by e-commerce</strong></td>
<td>2%</td>
</tr>
<tr>
<td><strong>% turnover e-commerce abroad</strong></td>
<td>38%</td>
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Table 2. Overview of used data for analysis

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<tr>
<th>Case 1</th>
<th>Case 2</th>
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<tbody>
<tr>
<td><strong>Duration interview</strong></td>
<td>1h 10 min</td>
</tr>
<tr>
<td><strong>External sources</strong></td>
<td>Business presentation Annual reports News paper articles (2) Social network sites (2) Website</td>
</tr>
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</table>
Results
In this section the results of the case studies are presented in two subsections. First, the within-case analysis presents the most relevant information on each case separately. The within-case analysis gives a deeper understanding of the importance of e-commerce and m-commerce for every fashion company studied and of the rationale used by the internationalization strategy with the two practices. Subsequently, these insights are compared between the cases in the cross-case analysis, in order to verify and identify certain similarities and / or differences between the companies studied.

Analysis of cases
In this section, the cases are studied separately in order to depict to what extent and how e-commerce and m-commerce are important in the internationalization strategy of the surveyed fashion companies.

Case 1
The first fashion company started as a manufacturing company for other fashion companies and decided to start its own collection at some point. The company is working hard on its image and branding and positions itself as a brand of the higher segment. The company applies this branding in every choice it makes as well as in the services it provides. An important consequence is that all business activities from design to production and sales, is in own hands, except the online store. Since the start of its own collection, the company expanded by an average of one store per year and possesses today 25 self-owned stores in three countries. The private stores are responsible for the largest share of growth each year, but the company also sells through multi-brand stores and more recently also through an online store.

Initially, the manager was reluctant towards an online store for the fashion company, since an online store skips the entire service process, from fitting the clothes to other in-shop customer services. As previously stated, the company is working strongly on its image-building and decided to open an online store in 2009. The company was one of the first in the higher segment of the Belgian fashion industry to start an online shop which provided them the necessary media attention. In the beginning, the online store was outsourced to an external partner, who offers standard online stores for all kind of industries, not particularly specialized in fashion companies. Since the operations and possibilities of this platform seemed limited, the company started the idea of developing an own online store in the near future. The fashion company realized that there is much potential in the electronic business and developed an appropriate strategy, on a multi-channel approach, allowing the customer to purchase from a retailer of its preference. The online store is integrated in the ERP software, covering all business processes such as warehousing, logistics and suchlike.

The company’s online store has no separate own storage, but uses the
inventories of the offline stores as well as the central storage. When a customer makes a purchase through the online store, it is first checked whether the products are located in the central storage. If this is not the case, the systems checks if the items are available in the shops and where. Since deliveries to and from the stores is bi-weekly, the delivery time may thereby increase. The piece will be brought to the central repository, from where it is sent to the client. “We have chosen this way of working, because every piece of clothing is in a limited edition. The customer will be helped during the whole supply process and deliveries and returns are free of charge. This fits within our company strategy to offer a high quality service to our target market, being active women over 30 with higher incomes. Initially as a test, we did not offer the whole collection in the online store, but on request of the customer we later offered the whole collection online. An important consequence of this system is that no price reductions are given in the online store, simply because the logistic system does not allow this.”

This studied company is mainly known in the Benelux where its main market focus is clearly concentrated. The limited cultural differences between the Benelux countries are considered as a major advantage. Approximately 90% (Belgium 62%) of their e-commerce turnover is generated in the Benelux countries and the remaining 10% mainly in the other neighboring countries and Switzerland. "That Web shop operates effectively in the countries where I have my own stores, where I run serious campaigns in magazines and where our name (...) is known."

The manager estimated the establishment costs of its online store between 100,000 and 150,000 euros. In addition, one takes into account not only the creation of the website, but also the underlying ERP links and thus the integration with other business processes. The latter could increase the cost of an online store. "The whole story must be right and that's hard. Hence, the costs may rise, because of all those things you need to provide. For example an e-mail is sent in which the customer is thanked for the order and indicating when the order is shipped. If it is sent, the customer receives an email saying when they expect the delivery ". And yet the creation of an online store is, according to this company cheaper than a physical store. The main reason is that it is integrated with other business processes. "In our company it is integrated with what we already have here. That means no extra staff members, but each of the existing employees does a particle. My accountant takes a part, my IT department tackles a part, I use the warehouse that I already have (...) For me, the online shop is cheaper, because of the rent. I often pay 10 000 euro rent for a store, per month. And then you have to add electricity, which is often 4 000 euros per month (with spotlights, air conditioning and all that stuff). The physical shop will cost easily 250 000 euros, (...) I have four salesgirls and a manager per store, which is also costly.”

According to our respondent, despite the fact that an online store is cheaper when starting up, it does not involve cost savings, the costs come in addition and
not in replacement of anything. The largest cost for the online store of the company is related to making the pictures. There are four collections per year and for each collection a new photo shoot of three days is held. Total silhouettes are offered on the website, in order to increase the average ticket value and number of pieces per ticket. After taking the photos there is still an editing process where the colors are corrected to the colors of a physical garment and other adjustments are made. Another major cost is the free sending and returning of the clothing.

In order to lead buyers to the online store, the company mainly uses Direct Mailing, both physically in a book and as an e-mail. The company also buys publicity space in magazines, works with press attachés and does sponsorships. However, the indication on the current site of the online store is limited to a subtle referral. In the future with the new online store, it is the intention to set up a real marketing strategy. As mentioned earlier, no price- and discount promotions are offered in the online store since this fits in the firm’s strategy to belong to the higher segment and put more emphasis on service and quality.

The future website will be user-friendly for mobile users but there is currently no clear / active strategy as well as for social media, currently managed by the external administrators of the online store. The company is currently in a transition phase, in which they still have to figure out what is possible with an online store in-house, what skills they possess and what purpose they should develop. Once that is clear, they will be working on a strategy. If it is OK, there may be an overall strategy to integrate the online store with the mobile users and social media.

Table 3. Overview of Case 1

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<thead>
<tr>
<th>Advantages of e-commerce</th>
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<tr>
<td>– Cheap start-up</td>
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<td>– Saving costs by integrating other business processes</td>
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<tr>
<td>– Increasing turnover thanks to new clients, mainly in existing segment</td>
<td></td>
</tr>
<tr>
<td>– Collecting data for new collections</td>
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<table>
<thead>
<tr>
<th>How maximizing customer loyalty and giving confidence to buy online?</th>
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<tbody>
<tr>
<td>– Free sending and returning</td>
<td></td>
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<tr>
<td>– Asking feedback</td>
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<tr>
<td>– Readiness to answer questions</td>
<td></td>
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<tr>
<td>– Future plans for communication through social media</td>
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<table>
<thead>
<tr>
<th>Degree of digitization fashion-industry</th>
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<tbody>
<tr>
<td>– All business processes from post-design to delivery are automated</td>
<td></td>
</tr>
<tr>
<td>– After sales service is partially automated</td>
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<table>
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<tr>
<th>Taking into account external factors?</th>
<th></th>
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<tbody>
<tr>
<td>– Experiences no cultural differences because of focus on the Benelux</td>
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</tr>
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<td>– No tariff barriers</td>
<td></td>
</tr>
</tbody>
</table>
**Case 2**

The second fashion company started with the acquisition of a clothing brand that was on the verge of bankruptcy and has since grown mainly through acquisitions of fashion brands in Belgium and the Netherlands. The number of employees is roughly taken, equally divided between the two countries. Besides its own stores in Belgium and the Netherlands, the company also works with wholesale customers at home and abroad. In addition, they sell their collections outside the Benelux, mainly through agents or stores in neighboring countries and to a lesser extent in Spain and Jordan. The importance of wholesale customers is very important for the company, since this represents approximately 50% of their turnover.

The different brands of the company target a slightly different segment of female customers, with each possessing a separate online store. Their overall target customers are women who are concerned with fashion, but who are rather trend followers than trendsetters. Some brands also focus on babies and children’s wear. The online store of the brand was founded in 2012 and is accessible worldwide, but the direct and free sending is only possible for Belgian and Dutch customers. For customers outside the Benelux, orders are sent through the forwarding service Bongo and the customers are charged an additional fee. The main reason for this outsourcing is related to the differences in regulation in other countries, such as Germany having different and stricter laws. Customers in the Benelux have two delivery options: their orders can be delivered / returned in a store; otherwise the customer can also get home delivery by GLS, which is free for the customer above 50 euros. For packages below 50 euros, shipping costs are charged. The underlying reason is that the company noticed a drop in ticket price in one of the brands that offered free delivery and which products are returned quickly. For the Dutch customers they are planning to work with Kiala in the future, since currently it costs 20 euros for them to return their clothes.

Depending on the time of the year, the online store is one of the bestselling stores. During the sales-period, the webstore gains importance because then, customers find a larger range of products available in the web shop. During this
sales period the online store realizes 60% of its total turnover running. However, there is also a downside to this system, because the store staff has to combine the sales in the shop with order picking in the stock, during the most busy period. "We do not have a separate part in our warehouse for the shop to put online. We take stock of all company-owned stores and put a 'trash hold' on it(...) If one size of a piece is not available in Antwerp anymore, there might still be one in Leuven and customers are starting to realize this, especially during the sales.

At the launch of the web shop, the company opted for a standard online store with an external partner. Today, the online store has many restrictions and the company has limited possibilities to grow online sales. One can lure people to an online store, but that would not mean they buy clothes. Therefore, the company wants to create relevant content to increase conversion rates and attract customers on a non-intrusive way. Unfortunately, this is not possible with the current system.

In order to be more responsive to current events and new trends, the company will set up a more customized online store in the near future. "These days it is no longer enough to put your articles online. You also need to add content and especially relevant content. For example if you have a store locator, you can indicate the fun stuff around your store like for example a nice coffee shop. That attracts people in a natural way. (...) or a blog post for example about how you need to wash the clothes, or how the internals work and that can always be fun for people to read.

Our objective with the new online store is to double the share of online purchases in the total turnover from 4 to 8%. Another advantage of the new online store would be that you can apply different prices in different countries. However, the latter is not obvious, because local wholesale customers are not satisfied with that. For this company, it is important to maintain a good relationship with the wholesale customers, as they represent half of the total turnover. "That depends a bit on how things work with the agents. The Spanish agents are off course not always happy that you have a website to be set up there. (...) That is not always easy because many customers see that as a threat, and we should be very careful with this. As I said, 50% comes from wholesale and you cannot just get that with your shop." The manager of the shop also mentions that the initial cost of an online store is not cheaper. For any cost of a physical store, there is an equivalent for the online store. "Renting a property can be compared to a limited extent with the lease of all your licenses. (...) E.g. You have to pay your monthly license fee, pay your server from Amazon, pay your DNS records and so on. That is all an equivalent. If you want to have a good e-commerce site, that takes an awful lot of money! A shop needs to be repainted every two-year and for an e-commerce site you need to do an update every six months. You do not really save money with an online shop. There are still the packers needed, shipping costs incurred for the company from an order above 50 euros, there are leaflets, etc. ..."
Although there are no real cost benefits with their online shop at the moment, there are still some advantages to. An online store is always open and you can collect a lot of data from the clients. Because the shop is always accessible, we can distinguish a kind of shift from offline media to online media. Through Google Analytics, the company receives a lot of information about the customer and therefore can respond to more specific needs.

The present, standard online store is also limited in its capabilities related to social media and mobile users. This does not allow the company to reap the potential marketing benefits of online marketing, but the company is temporarily in a transition phase to a new mobile-friendly web store. There has been an overall strategy mapped out on the operation of the mobile users, social media and the web store. This new strategy is further elaborated in the cross-case analysis, in comparison with the first case.

### Table 4. Overview of case 2.

| Advantages of e-commerce | — Always open and accessible  
| — Increasing turnover thanks to new clients, mainly within the segment  
| — Responding to specific preferences and needs, thanks to data collection |
| Maximization of customer loyalty and giving confidence to buy online? | — Responding to actual trends  
| — Be Commerce quality label  
| — Be aware of popular payment methods abroad, such as post-pay in the Netherlands.  
| — Answering questions by email within 24 hours and even the same day, if the question is asked before 4 PM.  
| — Future plans for interaction via social media.  
| — Future plans for creating content for mobile / online users |
| Digitization fashion-industry | — Automation from orders to sales  
| — Delivery is outsourced  
| — After-sales partially automated through a FAQ page. |
| Taking into account external factors? | — Experiencing cultural differences and coordinates collection accordingly.  
| — Plans for segmentation by country with the coming of their new web shop |
| Innovation, design and intellectual property | — Trend follower, not a trendsetter  
| — Can do little against copycat |
| Combined strategy web | — Marketing calendar with possible |
Cross-case analysis
In this part, the cases are compared. For each proposition, we try to formulate a complete answer by comparing the cases and then relating their results to the existing literature.

Proposition 1: Which advantages does e-commerce offer to international fashion companies in today's globalized market and why?

Research shows that the creation of an online store can be cheaper, when it is fully integrated into all business processes. If the store is treated as a physical store, potential cost savings will be left unused. The biggest cost in any establishment is the development and implementation of the online store and the integration with the company's system. For our first case company, the establishment is very favorable. They achieve the main savings by using the existing capacity of supported services such as IT, central storage, marketing, service, etc. In our second case, we distinguish no or limited cost savings in the start-up phase.

This study shows that in general online shops have similar total costs to those of physical stores. The two cases show that the license for the web shop for instance, is the online equivalent of the rent and it needs updates several times a year. For the operation of the online store it is necessary to include people with knowledge of online trading to support the store. Web shop-related costs often include packing, shipping and return of goods since this is often a free service, offered to the clients.

In terms of marketing and communication, both companies cannot benefit from opportunities because of the default online store. The first company currently only mentions the web shop in all its communication, but plans to develop a more elaborate marketing strategy for the new web shop in the near future. The second company is waiting for the new online store in order to exploit the full potential of online trade.

Despite the perceived limitations, the two cases show a turnover increase thanks to (since) the online store. In the first case, the web shop tripled the turnover since 2011 to the equivalent of one physical store. The web shop did not involve a shift from the offline to the online trading business. For the second company, there is also an increase in turnover, but also a partial displacement. This company has seasonal sales, representing 60% of the total online turnover. The clients tend to order more online during the sales period, thanks to the perception of a larger online offering / availability. The increase in turnover for an online store reveals that a growing segment of clients increasingly (exclusively) purchases online. The online store is always open and allows to attract people who have little time during regular business hours. Above that,
you can address people more personally thanks to the online collected data.

Both cases show that a major advantage of an online store is collecting data on the clients. One can see in the collected data how many times a page is visited, what products are viewed, with which medium and from which location they visit the shop. The first company uses data primarily to identify the customers and follow them in their multi-channel approach and to determine the following collections, rather than to cater for different preferences. The second company uses the data mainly to track customer purchases, and then to respond to specific needs and preferences.

Table 5. Indicators of proposition 1.

<table>
<thead>
<tr>
<th>Case 1</th>
<th>Case 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Cost comparison between an online store and a physical store, in terms of administrative, maintenance and establishment costs</strong></td>
<td>- Start-up of web shop is cheaper thanks to integration in total business</td>
</tr>
<tr>
<td></td>
<td>- No cost savings in terms of management and maintenance.</td>
</tr>
<tr>
<td><strong>Advantages and / or disadvantages of an online store compared to a physical store</strong></td>
<td>- Increasing turnover within the segment</td>
</tr>
<tr>
<td></td>
<td>- Collecting data to determine next collections</td>
</tr>
<tr>
<td></td>
<td>- Always open and accessible</td>
</tr>
<tr>
<td></td>
<td>- Increasing turnover within the segment</td>
</tr>
<tr>
<td></td>
<td>- Responding to specific needs and preferences thanks to the collected data</td>
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</tbody>
</table>
items in stock and then the garment was promoted on Facebook and the website, with smooth sales as a result. The company preferably does not invest in Google AdWords, because as a result people are drawn without a goal and conversion rates may drop. Currently, this company also has made little efforts to attract new visitors. However, when a customer puts something in its online ‘shopping bag’ and then leaves the site, the customer will be mailed later to urge one to buy the piece.

Our first company maximizes its customer loyalty through service rather than price or discount promotions. The company wants to acquire a positive image based on service and avoids the discounts for the online store. The ‘good service’ offered by this company consists of free delivery and returns in the Benelux, asking feedback after dispatch and being available for questions.

The second company achieved the BeCommerce quality label. This is a label indicating that a company complies with Belgian and European regulations in terms of safety and reliability. Obtaining the label should give customers the confidence of a secure online store. To obtain the quality label of the Dutch counterpart of Becommerce, the company will add post-pay in the future to payment options. The company also has a FAQ page. So when the customers’ question is more common, the answer can be found on this page. If the customer does not find the answer on the question there, it can be asked by e-mail. The company tries to reply within 24 hours and if the question is asked before 16 hours, the customer gets a reply the same day. In the future, this system of follow-up will be extended to social media and there is being examined if a live chat is a viable possibility. The company follows the satisfaction of delivery on the basis of a Net Promoter Score, where the customer after delivery will be asked to give a grade of 1 indicates to 10. If the customer gives a figure below 7, he will be contacted and will be asked for feedback. Furthermore, it is important for the company to take the customer in the online store on a journey from the beginning to the end, and also preferably in as few steps as possible to motivate them to buy something. Ideally, the garment lies in a single click in the shopping bag. Furthermore, it is also important to register, which page the customer has visited. This is done by means of cookies. And this enables the company to demonstrate interesting things for the customer. For example, if womenwear has been visited, womenwear is proposed at the next visit.

<table>
<thead>
<tr>
<th>Table 6. Indicators of proposition 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Case 1</strong></td>
</tr>
<tr>
<td><strong>Segmentation target audience</strong></td>
</tr>
</tbody>
</table>
Maximization of customer loyalty and increasing perceptual confidence and safety of the web shop

- Free delivery and return in the Benelux
- Automated ‘thank you’ reply
- Asking feedback after delivery
- Readiness for questions
- Lovely package
- 3D Secured payment
- Future plans for interaction through social media

- Free delivery and return in Benelux from 50,- euros buy
- Responding on actualities
- Become commerce kwaliteitslabel
- Taking into account popular payment methods abroad, e.g. post-payment in the Netherlands.
- Answering questions on e-mail within 24 hours and on the same day, if questioned before 16:00
- Future plans for interaction via social media.
- Future plans for creating content for mobile/online users

**Proposition 3:** To what extent has the fashion industry been digitized since the rise of e-commerce and what is the effect on the international entry mode possibilities of fashion companies?

For the first company almost all business processes are in the ERP system. Each section of the industry starting from production is integrated and that ensures that almost everything is fully automated. From the moment the stylists have made a design, there is a bill of work and a bill of materials created and that is where the ERP system starts in the whole system. An analysis is made of the required number of hours for each part, the necessary equipment and the required amount. This analysis ensures that one knows how much must be produced and that the necessary amount of material is available for all the units. This way, the whole process, from design to sales in the stores is integrated in the ERP systems. With today’s web store, there is a break line because it is managed externally, but by integrating the online store the company would get more data out of it. The process after delivery is also partly automated by automatically send e-mails after ordering and delivery. However, it does not have an effect on the entry mode of the company, because the focus of the shop is located in the Benelux.

In the second company, almost all processes are automated, from entering the order to sales. After the sale, also reimbursements and the generation of the invoice are automated. The questions of the customers are partially automated by means of a FAQ page, but the other questions and complaints are best considered separately. For complaints, there are general guidelines, but each case is considered separately. The logistics process is also automated, but is left
to an external company. Here as well, there is no effect on the entry mode for the time being, but the new webstore will offer the possibility to segment each country and entering a country online.

Table 7. Indicators of proposition 3.

<table>
<thead>
<tr>
<th>Case 1</th>
<th>Case 2</th>
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<tbody>
<tr>
<td><strong>Business processes</strong></td>
<td><strong>Business processes</strong></td>
</tr>
<tr>
<td>− All business processes after design to delivery are automated</td>
<td>− Complete automation from order to sales</td>
</tr>
<tr>
<td>− Service after sales is partially automated</td>
<td>− Delivery is automated, but external, since it is not the firm’s core activity</td>
</tr>
<tr>
<td></td>
<td>− Service after sales is partially automated by means of a FAQ-page.</td>
</tr>
<tr>
<td><strong>Consequences of digitization on entry mode</strong></td>
<td><strong>Consequences of digitization on entry mode</strong></td>
</tr>
<tr>
<td>− No consequences because of focus on the Benelux</td>
<td>− The new web shop, will offer the possibility to segment each country and entering new countries online, where today the company only works through wholesale.</td>
</tr>
</tbody>
</table>

**Proposition 4: In what way and to what extent do Belgian fashion companies take into account external factors in their online store, when entering international markets?**

At the level of regulation, none of the two studied companies make specials efforts in terms of regulation in foreign markets. The first company focuses its online store only in the Benelux and therefore does not take into account differences in regulation. The second company only delivers directly into Belgium and the Netherlands, and for delivery to other countries they use Bongo. By outsourcing the delivery to an external company, they avoid having to deal with different international regulations. Most countries in which they are active have no clear regulations on e-commerce, but it could change in the near future at European level. Germany appears to have a very strict regulation on internet sales.

The first company is not experiencing cultural differences and claims that the success of its products and sales will not depend on cultural differences. The second company does experience cultural differences in the Benelux. The respondent argues that in terms of purchases for example a Dutch customer is more confident and will buy faster or order two sizes, while a Belgian customer will not easily order two different sizes. Despite these differences, the online store does not adapt to these cultural differences. However, the collections they present on their web shop can vary, in response to differences in terms of
culture and taste.

Our first company also ignores other kind of cultural or other differences. It suggests that if you have an online store that can be accessed from around the world, that does not mean you also have to sell to customers from around the world. As an example the manager says that they do not sell for instance in the United States because of transport costs and custom fees. The second company also exports outside Europe and experiences no obstacles, because they use Bongo for sales outside the Benelux. The forwarding service thereby manages the delivery to the customer and bills the company. The biggest impediment to the second company is related to the limits of its own network. With the current web shop, the company delivers only directly in the Benelux countries, because it does not allow adjustments for each country. But even with the new online store in the near future, the company will have to take into account the wholesale customers, in the countries where they are active. The wholesale customers in France and Spain for example, see the online activities as depriving and react strongly against the idea. As mentioned earlier, the wholesale customers provide half of the total turnover and the company cannot afford to put their good understanding at risk.

Table 8. Indicators of proposition 4.

<table>
<thead>
<tr>
<th></th>
<th>Case 1</th>
<th>Case 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Cultural differences</strong></td>
<td>– Experiences no cultural differences because of focus on the Benelux</td>
<td>– Experiences some cultural differences and adjusts collection based on the differences.</td>
</tr>
<tr>
<td></td>
<td>– No other barriers</td>
<td>– Plans for segmentation per country with the new web shop</td>
</tr>
<tr>
<td><strong>Differences in regulation</strong></td>
<td>– Does not take into account differences in regulation.</td>
<td>– Does not take into account differences in regulation, because lack of regulation in key markets.</td>
</tr>
<tr>
<td></td>
<td>– Uses external forwarding service for other markets like Germany with strict regulation on webshops</td>
<td></td>
</tr>
<tr>
<td><strong>Tariff barriers</strong></td>
<td>– No tariff barriers; avoiding countries with custom fees, e.g. USA</td>
<td>– Does not take into account, since use of forwarding service, Bongo</td>
</tr>
<tr>
<td><strong>Other barriers</strong></td>
<td></td>
<td>– Wholesale customers see the online activities as depriving and react strongly against the idea.</td>
</tr>
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</table>
Proposition 5: To what extent and in what way do innovation, design and intellectual property protection play a role in the strategic choice for e-commerce of Belgian fashion companies?

The first company increasingly experiences problems of imitation of their goods by other companies. Since the company is becoming more and more successful, it attracts the attention from others, with more and more imitations and counterfeiting as a result. Recently there was an incident in which a Swiss company completely copied a shirt, but in a lower quality. Another problem is that fabric manufacturers sell a slightly changed fabric to the competitors and use this company as a reference. An online store, however, would have little effect. Replicating, according to the company, can go faster once it is online, but the competition might as well buy an item in the physical stores and then replicate it. However, according to the company, there is little to do against copying behavior. If a competitor’s design is a precise replica, it invokes the Copyright. However, the company states that they themselves, are sometimes inspired by other competitors and this occurs frequently in the sector.

The second company is also experiencing copying behavior and also states that they can do little against it. This company as well refers to the blurred line between inspiration and precise copying behavior. An online store would have no increasing effect on it. It is also assumed in this case, that when a competitor wants to copy, it is often done by going to the physical stores. The company would, however be discouraged by copies and will try to ensure the customer to buy their brand, not only because of the beautiful dress, but also because of the experience and the service that goes with it.

Table 9. Indicators of proposition 5.

<table>
<thead>
<tr>
<th>Case 1</th>
<th>Case 2</th>
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<tbody>
<tr>
<td><strong>Copying behavior</strong></td>
<td>Experiences copying behavior by companies abroad</td>
</tr>
<tr>
<td><strong>Influence by web shop</strong></td>
<td>Web shop has no big influence on copying behavior</td>
</tr>
<tr>
<td><strong>Legal protection</strong></td>
<td>Can do little against copying behavior</td>
</tr>
<tr>
<td></td>
<td>Does appeal to copyright with almost complete similarities</td>
</tr>
<tr>
<td><strong>Other protection</strong></td>
<td></td>
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</tbody>
</table>
Proposition 6: *To what extent does a combined strategy of e-commerce, m-commerce and social media contribute to increase market share in the international (electronic) market?*

Both studied companies are not yet very active on social media. Our first company has to integrate first its online shop and will then create a social media strategy. At this moment the social media is only managed by the managers of the store, by placing a link to the Facebook page of the company on the current website. In the second firm, the social media is also monitored by the manager of the shop and a colleague, but in the near future they will hire someone who takes on this responsibility, full time. Since the company believes that there is a lot of potential in social media, they are convinced that it is necessary to have a full time person working on social media. According to this second company, email lost its effectiveness and people are more active on social media. They also recognize a shift from Facebook to Instagram since Facebook is becoming more expensive for businesses and less efficient.

Both companies do not have a mobile-friendly website but they both intend to start a new web shop in the near future that will be mobile-friendly. Furthermore, the first company has no strategy for mobile users. The second company recognizes the importance of the mobile users, since it constitutes 16% of the online sessions and it has only a conversion rate of 0.30%. However, the company would not invest in an app version of the online store, but they are playing with the idea of developing an application in the near future, which would serve as a loyalty card or even an experience application. According to the company, mobile people are mostly searching for information because of the still limited mobile payment options today. Therefore the company prefers rather to create content for the mobile users.

For the time being, there is no plan for an integrated strategy in the first company. Only after the full integration of their e-store they will investigate what can be done with the social media. However, for the mobile users, the web shop is made mobile-friendly. The second company has drawn up an integrated strategy, based on a marketing campaign calendar that determines what will be integrated on the web and how it will be integrated with the social media. In the past, this was done rather ad hoc but in the near future there are plans to integrate it with the support of extra manpower.

<table>
<thead>
<tr>
<th>Mobile trade</th>
<th>Case 1</th>
<th>Case 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>– New web shop will be mobile-friendly</td>
<td>– Plans for applications used as customer card or as experience application</td>
<td></td>
</tr>
<tr>
<td>– Current mobile-friendly web shop has a conversion rate of 1%</td>
<td>– Current web shop has a</td>
<td></td>
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<tr>
<td>– Clients look at the</td>
<td></td>
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</table>
Discussion and conclusion
The main research objective of this study was to reveal the importance and the role of e-commerce and m-commerce in the internationalization strategies of fashion companies. On the basis of a study of the relevant literature, followed by in depth case studies on Belgian fashion companies who recently engaged in e-commerce, we came to the following main conclusions.

First, we found that e-commerce can offer some interesting benefits to international fashion companies such as an increasing turnover or the fact that webshops are always open and accessible and allow to respond more effectively to specific needs and preferences thanks to the collected data from (potential) clients. According to the OECD (1999), e-commerce would also lead to a decrease of the production costs and creates an inverted production process, in which new products can be created, giving rise to economic growth. Shamanaeva (2014) also concluded in her study that when small designer companies develop an online shop, they can reduce their costs. However, our investigation shows that a web shop for bigger fashion companies offers no or limited cost benefits, at least in the first years. Since our studied companies started with a ‘standard shop’ managed by external parties, they were offered limited possibilities in terms of profits. Our study also revealed that when the web shop is integrated in every chain of the business process, the costs of the web shop may be lower compared to a physical store. However, the management and maintenance costs are not necessarily lower than that of a physical store since the companies need additional skilled staff to manage continuously the web shop. When the delivery is free of charge, this also represents an extra cost for the fashion company. According Kılıç and Savrul (2011), we are in the transition to a new knowledge and innovation based,
digitized, fast and global economy. The turnover figures of the fashion companies suggest that an increasing number of consumers are purchasing clothes online. The presence of a web shop enables companies to reach also those who do not like to shop, or not have time for shopping during regular opening hours, generating a positive effect on the turnover, on the medium and longer term.

Next, we examined how fashion companies maximize their customer loyalty and how they raise consumers’ confidence to buy online. In accordance with the key factors of Vila and Kuster (2011) the investigated fashion companies realize that key factors such as good service and usability, the offer of a qualitative and relevant content and the perception of safety are important to increase the purchase intent. Somewhat opposite to the results of Vila and Kuster (2011), it appears that our investigated fashion companies mainly focus on a good service and content, while the study of Vila and Kuster (2011) shows that online consumers are most concerned with usability, safety and also content. The fashion companies pay close attention to the content and try to sell more by offering a total look. In addition, these companies have a good support system, allowing them to help the customers very quickly and accurately. The companies surveyed, continue to pay much attention to the service concerning the delivery and return of the clothes. Vila and Kuster (2011) state that the perception of a secure web shop in the short term is more important than for example free delivery.

When comparing the framework of Ekeledo and Sivakumar (2004) for service providers entering new markets through e-commerce to our investigated fashion companies, it is striking that they mainly focus on the Benelux and only gradually expand their activities to other EU countries in the vicinity. Our studied Belgian fashion companies seem currently to pay little attention to external factors such as cultural differences, tariff barriers and other potential barriers. At the same time it appears that they are reluctant to, or make little efforts to, enter countries showing important differences or barriers.

Concerning the internal factors, our surveyed companies confirm the paradox in innovation and intellectual property of fashion companies, identified by Raustiala and Sprigman (2006). Despite the fact that copying behavior is widespread in the fashion industry, there is still a lot of innovation. Unlike the protection in other sectors, designing clothes is mostly not subjected to intellectual property rights. Although designs are not protected, the fashion industry continuous to constantly design new clothes and accessories. The surveyed companies suggest that most fashion companies are inspired by others and that there is a blurred line between being inspired and replicating. All they can do is convincing the customers to buy their brand by creating a positive experience around that brand.

Finally, we studied the last factor of the framework of Ekeledo and Sivakumar (2004): the degree of service digitization of a company and its paired entering possibilities. Our studied fashion companies appeared to be almost fully
automated, allowing them to skip external partners and sell directly to the end consumer. However, our surveyed companies focus their web shop mainly on the Benelux and outsource sales outside the Benelux to external agencies. The comparison of our results with those of Donlevy and Zott (2000), shows that our companies use the 'richness' of the virtual market. The companies collect data to better understand the purchases of customers, get feedback and respond in a more focused way to the preferences and needs of the clients. However, our surveyed companies still make insufficient use of tools to compensate for the lack of human contact such as being present on social media or create virtual communities. Today, our studied companies still seem to lack a fully integrated strategy in the field of e-commerce, m-commerce and social media but they are planning improvements in terms of such a stronger combined virtual strategy.

Limitations and recommendations

On the basis of our study, we obtained some interesting insights on the role and importance of e-commerce and m-commerce in the internationalization strategy of the investigated fashion companies. However, our study implies some limitations. A first limitation concerns the fact that only a few cases have been studied in depth. A second limitation is related to the fact that today, many Belgian businesses in e-commerce are only recently catching up their delay compared to competitors abroad and that many of them do not have a fully integrated virtual strategy yet. It would be interesting to do the same research for fashion companies of other (EU) countries, or to make a comparison between fashion companies in small and large countries. The fashion companies from other countries may have a different approach in their internationalization strategy. Finally, a comparison between large and small fashion companies or high-end versus low-end fashion firms would also be interesting to study.

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