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## Too Many Choices? Consumer Behavior in Fast Fashion Stores

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### Background

The classic psychological theory indicates that the more choice, the better. As a result, retailers are inclined to provide wide and deep product assortments to their customers to not only satisfy consumers' psychological need to seek variety but also increase the likelihood of matching the different needs of consumers. Fast fashion retailers have been following this "science" to develop a business model that offers quick turn over and more new styles to their customers. However, researchers have noted that extensive choices can result in negative consequences for the consumer (e.g., choice dissatisfaction) or for the company (e.g., the consumer deferring her decision to choose) (Chernev, 2003; Iyengar & Lepper, 2000; Schwartz, 2004), which is referred to the "paradox of choice" or "too-much-choice effect." The argument follows that information overload can merely happen while being presenting with too many choices. Moreover, it would further lead to negative outcomes, such as being dissatisfied with the purchase, postponing purchase decisions, or regretting decisions (Tung, Burns, Koenig, 2019). In a supermarket experiment, for instance, researchers found that consumers were more likely to make a purchase of the displayed jams when only six jam samples were displayed at the sampling booth compared to 24 samples (Iyengar & Lepper, 2000). The store environment of fast fashion exhibits a natural setting to examine the issue of choice overload. However, empirical studies that focus on the paradox of choice in the context of fast fashion has not been explored. Thus, the purpose of this study is to understand how product assortment variety impacts consumers' internal responses and shopping behavior during in-store shopping. A model based on the Stimulus-Organism-Response (S-O-R) framework, which explains the influences of external stimuli on responses through intervening variables (Mehrabian & Russell, 1974), was developed and tested in this study.

### Literature Review and Hypotheses

Store environment has been long recognized to impact various consumer in-store shopping behaviors. For instance, through research studies, it has been suggested that store exteriors could use warm colors to attract consumers and cool colors could be used on interior displays to create a relatively pleasant shopping environment (Bellizzi, Crowley, & Hasty, 1983). In addition, high volume music could irritate consumers and, in turn, affect their behavior in the store (d'Astous, 2000). Garaus, Wagner, and Kummer (2015) proposed two categories for store elements: the environment (e.g., design, ambient) and the information rate (e.g., variety, complexity) and indicated that those elements can result in retail shopper confusion. Their argument suggested that the store environmental cues include not only the physical store setting and interior but also the information presented, such as product variety. Too many products can result in consumer confusion in terms of choice overload.

Retail shopper confusion is a mental state occurring in shopping situations. It consists of three dimensions: affect, cognition, and conation. Garaus and Wagner (2016) operationalized the three components to irritate, inefficient, and helpless. Furthermore, retail shopping confusion can be a mediator between store environment and consumers approach/avoidance behavior and provides an explanation for consumers negative responses. Recently, despite the overall market growing, some of the major global fast fashion retailers have experienced lower growth rates or even flat growth rates (“Further pain for H &M,” 2018). The problems in global outsourcing, inventory management, weak e-commerce performance, sustainability issues, and in-store shopping experiences have been suggested to be the reasons for the stagnant growth of the fast fashion industry (Joy et al., 2012; Paton, 2018; Wahba, 2018; Yu & Kim, 2018). The authors aimed to examine other possible factors that might also result in such an outcome. Garaus and Wagner (2016) found that retail shopper confusion is significantly related to spending time in the store. Thus, the hypotheses proposed in this study are listed below. Figure 1 shows the proposed model.

H<sub>1</sub>: The higher the perceived product overload (PR) is, the higher the perceived retail shopper confusion (a. inefficient [EF], b. helpless [HE], c. irritate [IR])

H<sub>2</sub>: The higher the dissatisfaction toward the store ambient, the higher the perceived retail shopper confusion (a. inefficient, b. helpless, c. irritate)

H<sub>3</sub>: The higher the perceived retail shopper confusion (a. inefficient, b. helpless, c. irritate) the less time spent in the store (LE).

## Method

A total of 281 usable responses were collected through an online survey/marketing company. Only female consumers over the age of 18 years old were invited. Over 50% of the participants were younger than 35 years old. The sample was predominately Caucasian (61%), followed by African Americans (15%), and Hispanic/Latino (12%). Items for the survey instrument were adapted from the

previous studies except for the three items used to measure product assortment variety, which were developed by the authors based on the choice overload literature (Donovan et al., 1994; Garaus & Wagner, 2016; Jang & Namkung, 2009). A pre-test was conducted to ensure the items were reliable. Because the confusion scale is multi-dimensional, an Exploratory Factor Analysis was conducted first. All the items were negative statements, except for those in inefficient (higher scores represent positive experiences). The factor results showed two factors only, so the irritation scale was dropped in the future analyses. Cronbach’s alphas for all the scales were above .81. A Confirmative Factor Analysis was conducted as it is the first step in the Structural Equation Modeling (SEM) to examine the measurement model, and the results suggested a great model fit,  $\chi^2 (df=109) = 202.47, p < 0.01, CFI = .97, TLI = .96, RMSEA = .06, SRMR = .04$ . AVEs were above .60. The results of the SEM model,  $\chi^2 (df=113) = 233.39, p < .001, CFI = 0.96, TLI = .95, RMSEA = .06, SRMR = .08$ , demonstrated a good model fit for hypotheses testing. Thus, no modification indices were used to respecify the model.

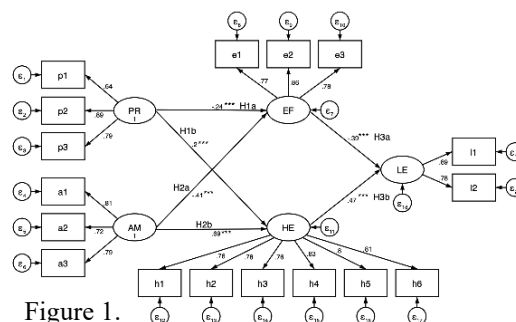


Figure 1.

## Results and Discussion

The results showed that all the hypotheses were supported. All item loadings were significant ( $>.64$ ) at  $p < .001$  level. The significant standardized coefficients of the proposed model paths are provided in Figure 1. The findings confirmed that both cues from the store surrounding and information rate are significantly related to the shopper confusion. The dominant dimensions, efficiency and helplessness, of retail shopper confusion in the context of the fast fashion indicated that shoppers might enjoy various product options, and their confusion was more likely to come from the utilitarian shopping value. Thus, retailers need to develop strategies that assist consumers in navigating in-store more efficiently and to ease their information processing. Additionally, shoppers are more likely to spend less time in stores where their perceived in-store experience is of inefficiency and helplessness. One of the starting points is to improve product assortment planning and in-store display. Further research is required to understand what substantial strategies can reduce choice overload in the fast fashion stores.

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