


# Under the Impact of e-Commerce, the Operation Strategy of Physical Clothing Stores

Zhehao Zhao <sup>a</sup>

*School of Economics and Management, Yanshan University, Qinhuangdao City, Hebei Province, 066004, China*

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**Abstract:** With the development of the Internet, the Internet era has brought great changes to all aspects of people's lives. More consumers have changed from offline to online purchasing, which has brought great impact on physical clothing stores under the impact of e-commerce. This paper mainly studies how physical clothing stores should survive under the impact of e-commerce. By examining the present situation of China's clothing retail sector, This study aims to understand the evolving trends within the physical clothing industry. Utilizing the SWOT analytical framework, the study delves into the strengths, weaknesses, opportunities, and threats faced by brick-and-mortar clothing stores. Notably, their strengths lie in offering customers the ability to touch and see actual products, providing a personal shopping experience, and enabling customers to enjoy the pleasures of shopping. However, the weaknesses of physical clothing stores are also evident, such as higher prices, inconvenience in returns, and limitations posed by time and weather. Despite these challenges, physical stores have an opportunity to attract consumer groups who prefer not to shop online and can capitalize on this by offering exclusive promotions and discounts. A significant threat to physical clothing stores lies in the high operational costs and the competitive pressure from larger physical stores. To counter these threats and mitigate the impact of online clothing retailers, physical stores should focus on enhancing consumer experience, optimizing store locations, improving service quality, exploring customized clothing options, reducing product prices, and innovating their sales models.

## 1 INTRODUCTION

The rapid development of the Internet has improved the national economy, but also increased the birth of many emerging industries and increased the employment rate of China's population. The network age changed the way consumers buy, consumers have changed from traditional online purchases to offline purchases, online shopping means consumers can never leave home and can buy clothing around the world, not only saves time cost but also save the cost, the appearance of clothing electricity to clothing store brought a huge impact(Xiaowan, 2018).The objective of this research is to examine the effective utilization of inherent strengths and transformational strategies by brick-and-mortar clothing stores in order to thrive amidst the disruption caused by e-commerce. Utilizing the SWOT analysis framework, this study aims to identify the current challenges and opportunities faced by physical clothing stores,

...serving as a fundamental analytical approach to guide their operations (Thomas L. Ngo-YeNan, 2014).

## 2 ANALYSIS OF THE CURRENT SITUATION OF PHYSICAL CLOTHING STORES

### 2.1 Analysis of the Current Situation of Physical Clothing Stores

With the development of the economy and technology, as well as the formation of new shopping habits, e-commerce platforms have emerged rapidly, and online sales have grown rapidly, which has caused a huge impact on physical clothing stores (Zhou Cheng,2018). At the same time, COVID-19 has become a catalyst for moving toward a new digital and direct-to-consumer (D2C) retail model. At

<sup>a</sup> <https://orcid.org/0009-0005-1853-3512>

present, Taobao has established a buyer application center platform, and the technology mainly includes "virtual wardrobe", "virtual fitting room" and "dream holographic display cabinet", which is expected to realize the DIY way of clothing purchase in the future. With escalating technology support, the way retailers provide their products and services has changed fundamentally. According to Euromonitor, the proportion of e-commerce sales in the global apparel market has significantly increased significantly from 9.7% in 2014 to 30.2% in 2022. And in 2023, the highest proportion of online sales in China is the clothing industry. The physical clothing store the impact of e-commerce, the market share ratio decreased. And under the influence of COVID-19. It has improved in recent years, and the growth rate has been steadily rising, keeping pace with e-commerce.

As shown in Fig 1, it shows that before the COVID-19 epidemic, e-commerce developed rapidly, while the development of physical stores was slow. During the COVID-19 outbreak, physical stores even experienced negative growth. After the epidemic, physical stores returned to normal development in recent years, and the development speed has become faster and the same as e-commerce.

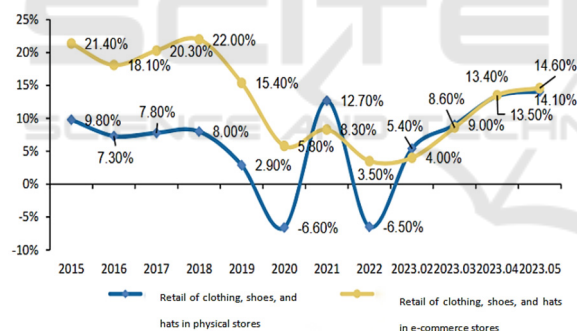


Figure 1: Growth rate of retail sales of clothing, shoes and hats in physical stores and online retail sales of physical wear goods in China(Mi, 2023).

## 2.2 SWOT Analysis of Physical Clothing Stores

### 2.2.1 Advantages and Disadvantages

Although the rapid development of clothing e-commerce in recent years, clothing physical stores still exist, because clothing physical stores themselves have some advantages that clothing e-commerce does not have. The biggest advantage of physical clothing stores is that they can be able to see the physical objects, which is the unique feature of physical clothing stores and is not available in e-

commerce (Xiao Xiang, 2018). Consumers who often shop on the Internet will find that the online publicity pictures are usually seriously inconsistent with the physical objects received, especially in the problem of "color difference". The second advantage of the clothing store is that consumers can experience it. Consumers who buy clothes online usually encounter such a problem that some clothes look beautiful, but when the clothes are sent home to try on, they find that they do not look good. The third advantage of physical clothing stores is that consumers can enjoy the fun of shopping. They may be very tired after the purchase, but it is certain that consumers will be very happy although they are tired.

The reason why the business of the clothing physical stores is quiet in recent years is because the clothing physical stores themselves have some disadvantages and are inferior to the clothing e-commerce problems. The biggest disadvantage of physical clothing stores is that it is expensive. Consumers usually find that physical clothing stores of the same style are more expensive than online, which is why more consumers will choose to buy clothes online. Online clothing is cheaper because the middle save a lot of middlemen cost, factory finished clothes sold directly on the Internet, so natural prices will be lower many, such as fruit clothing stores try to reduce the middlemen price link, and then more discount on the price, so choose in a clothing store to choose and buy clothing consumers will have more. The second disadvantage of the clothing store is that it is inconvenient to return goods. When consumers go home after purchasing clothes in the clothing store and find some problems and want to return them, merchants usually do not want to return them to consumers for various reasons. The third disadvantage of physical stores is that it is not as convenient to buy clothes on clothing e-commerce. Consumers who want to buy clothes in physical stores have to face the "weather" and "time" factors. At the same time, buying clothes online can usually save the troublesome link of "bargaining".

### 2.2.2 Opportunity and Threat

Although the Internet has been popularized now, there are still most consumers, such as the elderly and consumer groups who like to visit shopping malls, will still choose to go to physical clothing stores when buying clothing (Zhang Yue, 2017). Usually, consumers who like to go to shopping malls will go to the supermarket and clothing store, and the supermarket will buy a lot of snacks and daily necessities, consumers will give up buying clothes in

clothing stores because things are too heavy and the way home is very long, clothing stores can consider the clothing purchased by consumers to be delivered to their homes for free. Physical clothing stores are also available.

Consider some activities to accumulate points and then exchange goods at the end of the year, and carry out more preferential activities to attract new customers and grasp old customers at the same time. Businessmen understand the truth that "the customer is God", so it is necessary to solve the problems that customers are worried about from the perspective of customers, so as to increase more consumers.

Clothing e-commerce is the biggest threat to clothing stores, clothing e-commerce currently occupies the market at a lower price, clothing stores. If customers want to restore the hot business of the past, customers still have to consider lowering the price, but the cost of clothing stores is very large, not only the layers of clothing middlemen, but also store fees, electricity costs, water charges, staff fees, etc., the cost of physical stores is far greater than the cost of e-commerce, so it is difficult for physical stores to reduce the price of goods, clothing e-commerce is not only low cost, but also large sales, because there is no need to suffer. To the geographical limit, no matter how far away, consumers can buy, consumers will be more, and the sales volume will be greater, but the clothing physical store will be subject to geographical restrictions, because the main source of clothing physical stores is still local consumers, the number of consumers is naturally much smaller than the number of consumers of clothing e-commerce.(Su Zijie, 2017) There is also a serious threat to small clothing wholesale malls within clothing physical stores, large clothing wholesale malls are generally purchased directly from manufacturers and carry out clear price marking and unified management, which also reduces the link of bargaining, but small clothing stores have to go through the price increase of middlemen, and many small clothing stores are not clearly marked prices, and they have to carry out complex bargaining links, so now the business of small clothing stores is getting worse and worse, and the number is getting smaller and smaller. In this era of the developed Internet, the most dismal business in the clothing industry is those small clothing stores, which are not only threatened by clothing e-commerce but also by large clothing wholesalers.

### **3 THE OPERATIONAL STRATEGY OF PHYSICAL CLOTHING STORES**

#### **3.1 Fully Leverage the Advantages of Physical Stores to Improve Quality**

##### **3.1.1 Improve the Consumer Experience**

Clothing stores save consumers, from the characteristics of clothing electricity, clothing stores, and clothing electricity real difference is clothing stores can immediately see and experience, this electricity clothing electricity does not have the advantage, so clothing stores from the important perspective of "improving consumer experience"(Wang Yong, 2016). Especially in today's fast-paced society, the majority of consumers find the process of trying on clothes to be cumbersome and inconvenient. Consequently, they are reluctant to engage in this activity. To address this issue, sales staff are trained to recommend clothing that best suits the consumer's preferences, thereby minimizing the need for them to try on multiple items. Additionally, sales staff employ tactful persuasion techniques to encourage consumers to try on clothes and to gain a deeper understanding of their preferences.

Typically, female consumers engage in extensive shopping sessions; however, a scant number of small and medium-sized brick-and-mortar clothing stores offer a designated resting area. To enhance the consumer experience and foster a perception that shopping is a pleasant and enjoyable activity, clothing retailers could introduce a cozy tea room within their premises. This space could be furnished with comfortable seating and equipped with amenities such as complimentary teas, seasonal fruits, snacks, and newspapers. By implementing such measures, stores aim to attract a larger customer base by providing a relaxing and welcoming environment.

##### **3.1.2 Pay Attention to the Store Site Selection**

The problem of "focusing on the location of stores" is also a very critical thing for the physical clothing stores. Choosing the right store is equivalent to half of the victory. Clothing store best choice around there are a lot of clothing store, perhaps merchants will think such store competitiveness will be too big, but it is on the contrary, because the local consumers at the time of choose and buy clothes, generally go around, there are a lot of clothing store to choose and buy, almost unlikely to go around only one or two

clothing store shop to choose and buy, because elimination, few know only a clothing store around will not necessarily have what they want to choose and buy clothes, so will choose a lot of clothing stores nearby, compare each other, and then choose and buy the most satisfied clothing. So, if the location of the store choice around there are a lot of clothing stores, now more from the style of clothing up and down some kung fu, in many clothing stores can really attract consumers is the style of clothing, businesses should have a keen sense of "fashion", in the first time know what the most popular style of clothing, seize the opportunity to grab advanced purchase, so someone can beat consumers, get more profits

### 3.1.3 Improving Service Quality

In order to enhance the quality of service in clothing stores, it is imperative to create an atmosphere that evokes a sense of warmth and familiarity for consumers. Sales personnel should approach customers from a consumer-centric perspective, assisting them in selecting clothing that genuinely suits their needs. Merely selling clothing without considering the customer's fit and satisfaction is insufficient. Engaging in such marketing practices, which often involve pushing unsuitable items, is unlikely to foster long-term customer loyalty.

A good salesman should have the ability to sell clothes and turn customers back, but most so-called gold salespeople don't have the latter ability power. At present, most physical clothing stores still have a problem of excessive enthusiasm. When consumers step into the physical clothing stores, they will find that some salespeople will always follow them and introduce them constantly. Consumers have intended to appreciate the clothes well, but the result is destroyed by the overenthusiastic salespeople. Consumers, when in need of assistance from sales personnel, will initiate contact, and sales personnel are encouraged to take a strategic position that ensures visibility. Clothing boutiques should prioritize enhancing their service delivery, particularly in areas such as complimentary hem modifications and regular ironing services. These meticulous touches foster a positive impression among customers, highlighting the advantages of shopping in a brick-and-mortar store. Establishing a friendly and respectful relationship, rather than a mere transactional one, is key to fostering lasting customer loyalty and fostering a sense of trust.

### 3.1.4 Take the Clothing Customization Route

Clothing e-commerce has had a profound impact on brick-and-mortar stores, yet it's noteworthy that the majority of online shoppers prefer not to purchase expensive clothing items. Instead, they opt for more affordable options priced below 500 yuan. Conversely, fewer consumers opt to purchase clothing priced over 1,000 yuan online. Given this trend, clothing stores with substantial economic resources may consider pursuing high-end customization. Collaborating with renowned designers and spokespersons can facilitate the sale of exclusive, premium clothing, thus appealing to high-end consumers. However, this high-end customization route has its limitations. Firstly, it requires significant financial backing. Secondly, it targets a specific demographic of affluent consumers. Therefore, smaller and medium-sized clothing stores may opt to collaborate with niche designers, updating fashion trends promptly and limiting production quantities. This approach not only caters to middle-income consumers but also resonates with some consumers who value uniqueness and avoid conformity.

### 3.1.5 Reducing Commodity Prices

Clothing store cost is much higher than clothing electricity, because the vast majority of clothing electricity is directly corresponding to the factory, factory behind clothing, electricity sales directly, and electricity contact wider consumer groups, with low prices, rely on sales profit, and clothing stores are usually by middlemen price and contact to most consumer groups only local consumers, so the cost is high, and low sales, so do not blindly with electricity price war. Clothing physical stores can consider canceling the middleman this link, directly from the factory order, can choose to order to the factory or by the clothing factory clothing samples, if the business think it can, and then contact the factory to order in large quantities, so as to save the cost of middlemen, reduce the cost of clothing. Small clothing stores can also consider the same as large clothing stores, to clearly mark the goods and reduce the price to the minimum, and refuse to bargain, so as to attract the consumer groups who do not like the complex process of "bargaining".



### 3.2 The Operational Model of Combining Physical and e-Commerce

Clothing physical stores should consider changing the original traditional sales model, because in today's era of developed Internet, if only follow the original traditional sales model, even if not squeezed out of the clothing market by clothing e-commerce, it will automatically choose to exit because of too little profit (Hu Yangyang, 2017). It can be found that some brands, such as Uniqlo, Handu Yishe, Semir, and Adidas, not only have the offline market but also have the online market, and the sales volume in the online market is still considerable (Jinxin, 2018). So also only take the traditional sales model of clothing stores should change the single sales model, clothing stores can do store also do electricity, online markets, and offline markets, in reality, shop to sell their goods, but also sell their goods on some shopping platforms, online market and offline market integration can help businesses get two benefits at the same time. Clothing stores can also consider some social software for their clothing-appropriate propaganda, such as WeChat, Weibo, TikTok new clothing social software on some photos or videos, in particular, for female consumer groups, show the right clothing always can't help buying impulse, and clothing stores can like delivery, take online order, city free delivery, during the holiday with some preferential goods and small activities if take this way will attract the part like online shopping and busy consumer groups (Wu Yuxuan, 2014). In this era of rapid development of the Internet, the traditional sales model of physical clothing stores can no longer be unchanged. Physical stores should be changed appropriately with the development, so as to survive in the clothing market (AbuShanab, 2009).

### 3.3 Summary

In general, in the face of the rapid development of the Internet and e-commerce, physical clothing stores continue to transform and upgrade. couture should not only improve the quality of physical stores, but also integrate into the current e-commerce environment, and achieve the combination of online and offline so that the physical clothing stores will have a benign development.

## 4 CONCLUSIONS

This study focuses on the viability of brick-and-

mortar stores amidst the growing influence of e-commerce. Through an examination of the current state of China's garment retail sector, it employs a SWOT analysis to delve into the strengths, weaknesses, opportunities, and threats faced by physical stores. Key strengths of clothing stores include tangibility, the shopping experience, and the enjoyment derived from it. However, they also carry disadvantages such as higher prices, inconvenience in returns, and limitations posed by time and weather conditions. Among the opportunities, they present is attracting consumers who prefer not to shop online and conducting promotional activities. On the other hand, the threats loom large with the escalating costs and the competition from larger clothing stores that pose a challenge to smaller ones. The findings of this study hold significant guidance for the operators of physical clothing stores, enabling them to comprehend the evolving market landscape under the impact of e-commerce. This knowledge can assist them in devising effective strategies to enhance consumer experience, reduce costs, improve service quality, and ultimately maintain their competitiveness in the highly competitive market.

The current research simply analyzes the current situation of the market, without proposing more innovative ideas

Future research endeavors may delve deeper into the utilization of Internet technology by brick-and-mortar clothing stores to facilitate digital transformation. This may encompass the integration of online and offline channels, the utilization of big data analytics, artificial intelligence, and other technological advancements. The aim is to enhance the operational efficiency and customer satisfaction of physical stores, ultimately fostering sustainable growth and development.

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