

Retail Collaborations from the Consumer's Perspective

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ABSTRACT:

Retail collaboration is defined as a partnership of two or more corporations for the purpose of supporting the sale of each other's products for mutual benefit. Business collaborations have been identified as the key to success according to Fast Company. The complexity of the retail industry due to globalization, technology, and consumer purchasing habits are often best overcome through collaborations. In order for a collaboration to be successful, all participants must believe they are benefiting from the relationship. Sales resulting from retail collaborations provide feedback as to the success of the partnership.

The purpose of this research project is to understand how a consumer's purchasing decisions are influenced by retail collaborations. The information obtained involves the types of collaborations that peak the consumer's interest and the influence on purchasing behavior. This research project is designed to survey individuals with a knowledge and interest of the retail industry. The end result will be a more in depth understanding of the consumer's perspective on retail collaborations.

LITERATURE REVIEW SUMMARY:

Collaborations within business are designed with the goal to overcome marketplace challenges. It is said that, "Today's fast-paced marketplace requires mutually beneficial partnerships to leverage creativity, experience, and resources..." (Mudge, 2014, para 2).

Companies who work with startups are particularly benefiting from their joint venture. Startups are particularly talented at developing successful new concepts (Yoon & Hughes, 2016, para 5). In order for their product to launch, the new company has to provide something the marketplace is demanding. Startups tend to dedicate majority of their time unlocking untapped market segments and researching trends. However, new companies tend to fall short on properly scaling their concept.

Established companies have a tendency to get comfortable with a certain way of doing things (Yoon & Hughes, 2016, para 6). This can result in the company selling items profitable in the past but failing to meet changes in consumer demand. While an established company is at a disadvantage when it comes to fresh concepts, they are more established in the technical aspects of business such as procurement, distribution, manufacturing, and sales and marketing.

METHODOLOGY:

In order to understand the consumer's perspective on retail collaborations, primary research was conducted in the form of a survey. This survey targeted specifically Cal Poly Pomona students with an Apparel Merchandising and Management (AMM) or Entrepreneurial background. 100 surveys were printed and passed out during AMM and Entrepreneur classes*throughout a two week time span.

The breakdown of the participant's age range from 18 to 35 is as follows:

- 18-21 (32%)
- 22-25 (54%)
- 26-29 (10%)
- 30-34 (3%)
- 35+ (1%)

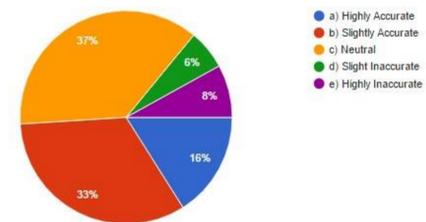
The majority of participants were Females at 76% and the balance of participants were Males at 24%.

* Gained the approval of Professors

RESULTS :

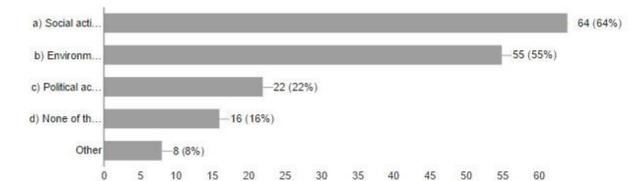
Rate your opinion on the following statement- "Retail collaborations affect my purchasing habits"

100 responses



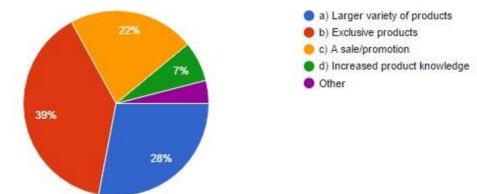
Which consumer driven causes influence your buying decision? (May choose multiple)

100 responses



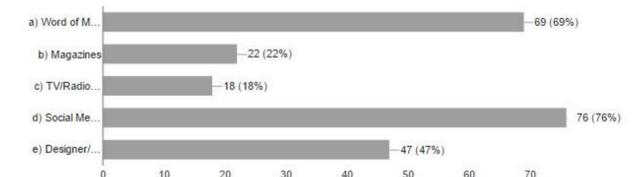
Which of the listed benefits explains why you would buy from retailer collaboration?

100 responses



Which promotional technique(s) would entice you to purchase products offered by the retail collaboration? (May choose multiple)

100 responses



Research Hypotheses

Hypotheses	Accepted	Rejected
H1: Retail collaborations affect a customer's purchasing behavior	X	
H2: The most popular consumer driven cause influencing buying decisions would be Social Activism	X	
H3: The most popular benefit explaining why consumers purchase from retailer collaboration is larger variety of products		X
H4: The most enticing retail collaboration promotional techniques to purchase products are Social Media and Word of Mouth	X	

Analysis of Each Hypothesis

H1	For the statement, "Retail collaborations affect my purchasing habits", 49% of participants responded "Slightly accurate" or "Highly accurate".
H2	The most popular consumer driven cause influencing a customer's purchasing decision was Social Activism at 64%. The second highest was Environmental Activism at 55%.
H3	The most popular listed benefit influencing a customer to purchase from retailer collaboration was exclusive products (39%). The second most popular explanation was larger variety of products (28%).
H4	Social Media (76%) and Word of Mouth (69%) were the two highest rated promotional techniques enticing customers to purchase products offered by retail collaborations.

REFERENCES:

- Mudge, Bob. (2 January, 2014). Why Collaboration is Crucial to Success. *Fast Company*. Retrieved 1 February, 2017 from <https://www.fastcompany.com/3024246/why-collaboration-is-crucial-to-success>.
- Yoon & Hughes. (25 February, 2016). Big Companies Should Collaborate with Startups. *Harvard Business Review*. Retrieved on 1 February, 2017 from <https://hbr.org/2016/02/big-companies-should-collaborate-with-startups>