

The use of change management by clothing boutique and branch establishment managers to transform their business digitally during the COVID-19 pandemic.

Thesis

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door

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Preface

My name is Ratika Bhalla and I am the author of this thesis which I have written as part of the master 'Business Administration' at the Erasmus university in Rotterdam. Before I started studying the master business administration, I lived in India where I completed my fashion degree at National institute of fashion design (NIFD) and started working in the fashion industry. After gaining knowledge about Indian fashion design, I went to London to study more about European fashion trends and markets. I am currently working next to my study at Primark B.V which I have done for the last 8 years. Fashion has always been my passion and has inspired me to learn more and, therefore, I also wanted to write my thesis on this topic.

In the beginning of this research, I lost my mother, my true supporter and guide throughout my life. I first thank my mother who is not there with me and who told me to follow my dreams and to carry on in life. I would like to thank my family and friends who supported me. I am thankful to my lecturer of change management Dr. M. Flory for the kind and humble words that gave me strength to carry on and for the many things I learned from her.

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I hope you enjoy reading my work,

Ratika Bhalla, Zoetermeer, 10th of August 2021

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Abstract

Due to covid-19 restrictions, Dutch clothing retailers were suddenly forced to close their physical stores for a few months. As they had to adapt to not being able to facilitate physical shopping, some managers turned to digital transformation as a means of financial survival. This thesis aims to answer the question which approaches branch establishment and boutique managers used to guide their stores through digital transformation. To answer this question 22 semi-structured interviews were held and the Gioia method was used to analyze them. This study reveals three distinct approaches to digital transformation that managers and owners used in response to the pandemic to facilitate shopping online. The approaches were early digital transformation, novice digital transformation, and avoidant digitalization. Every one of these approaches is grounded in managers' actions. Employing a certain approach, in general came with a specific set of hurdles experienced to transform digitally. Notwithstanding the context-dependent nature of the results, the approaches could form the basis for templates that could be followed by managers facing digital transformation in the context of discontinuous change as well as a lens to view these managers actions through.

Key words: digital transformation, change management, fashion retail, Gioia, COVID-19

1. Introduction

With shop closures for a prolonged period globally (Ladhari et al., 2019), COVID-19 likely caused a shift in shopping behaviour. In response to the COVID-19 outbreak, measures such as lockdowns, public quarantines, travel bans, and restriction to movement were implemented (Teslya et al., 2020). These restrictions have affected the behaviour of consumers by restricting or even prohibiting physical shopping (Akhtar et al., 2020), and moving shopping to online platforms. For example, In the United States, the share of the online food retailers market before COVID-19 was 3 to 4%, but increased to 10 to 15% during the pandemic (Grashuis et al., 2020).

Although grocery markets and drugstores were in general permitted to stay open during the lockdown, fashion stores were mostly forced to close for physical sales in all European countries, North America and most of Asia (Pachetti et al., 2020). A study by Granskog et al. (2020) found that 43% of participants who did not purchase fashion online before the COVID-19 crisis have started to use online channels, suggesting the COVID-19 crisis has converted many, usually physical, shoppers to online consumers. Even though consumers started shopping online, retail sales of clothing saw a 43.5% drop (Shahbandeh, 2021) and, as indicated by Forbes, the UK attire industry saw a decay of 34.8% in sales toward the end of March 2020 compared to 2019 (Danzinger, 2021).

A reason for the drop in sales of clothing boutiques and branch establishments may be a shift from physical purchases to a larger part of sales being diverted to online sales channels as a consequence of the lockdown (Ladhari et al., 2019). The COVID-19 crisis has recruited new online consumers as a result of the lockdown, and consumers have thus been steered towards buying goods online (Granskog et al., 2020; Klaus & Manthiou, 2020) which forces clothing boutiques and branch establishments managers to transfer from physical sales to digital sales. In this sense, Dutch fashion retail transformed digitally. The definition chosen by this study for digital transformation is “transformation of products, processes, and organizational aspects

owing to new technologies” (Matt et al., 2015, p. 339). Digital transformation explicitly includes digital activities at the interface with or fully on the side of customers (Matt et al., 2015).

However, unlike shopping for groceries, in the case of shopping fashion some consumers prefer to physically see, touch, feel, and try the sensation of clothes that most physical product sales locations offer (Cox et al., 2005). This makes the fashion branch in a sense unique and perhaps not comparable to grocery shopping and buying other goods online. The digital transformation of retail fashion may therefore require different actions, implementations processes and experience other hurdles than digitalizing grocery shopping. Whilst physical sales locations will still account for a large share of sales, COVID-19 certainly demonstrated a change in consumer behaviour in fashion buying habits in many countries (Faria et al., 2021; Grashuis et al., 2020). As the digital transformation of shopping for fashion occurs, managers have to rethink what customers value the most and create operating models that take advantage of what’s newly possible for competitive differentiation (Berman, 2012).

Because of the closure of stores and shift to online shopping, clothing boutique and branch establishment managers will be forced, if they were not digital yet, to transform their company digitally to keep sales going. Digital transformation of fashion retail will emphasize information technology (IT) instead of direct communication and sales skills of personnel as is the case of offline shopping. Change management is needed to thrive given the new organizational changes to be successful (By, 2005).

Due to the restrictions following from the COVID-19 pandemic, the distribution channels in fashion retail are potentially faced with a discontinuous change, previously described by Luecke (2003: 102) as a ‘single, abrupt shift from the past’. Grundy (1993: 26) described a discontinuous change as being marked by rapid shifts in strategy, the structure of culture. This

kind of rapid change is often triggered by amongst other things a considerable external shock (By, 2005). However, discontinuous change may have some disadvantages, such as defensive behaviour, complacency, inward focus and routines, which often lead to the requirement for major reforms (Luecke, 2003). As a solution to these problems, other authors such as Burnes (2017) suggest incremental change approaches, in which parts of an organization deal increasingly and separate with individual problems one at a time. This change is implemented through successive, limited and negotiated shifts. Some retail fashion stores already started to transform digitally before the COVID-19 pandemic and COVID-19 may have accelerated digital transformation or successive steps may have been taken by managers, building on the previous steps taken to transform digitally. Stores that were already transforming digitally may have not experienced COVID-19 as a discontinuous change forcing them to transform digitally but as an incentive to transform further. The way managers will use change management to transform digitally during the COVID-19 pandemic is interesting to study.

Change management has been defined as ‘the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers’ (Moran & Brightman, 2001, p. 111). However, this definition seems to focus on incremental change and continuous renewal of organizations to meet customer demand. This definition is, therefore, less suitable for a situation like a pandemic in which change is perhaps discontinuous and companies are forced to comply with government regulations. Therefore, throughout this thesis change management is defined simply as the

management of processes that pertain to the implementation of changes made in organizations to adapt to internal and external forces.

Change management is needed to thrive given organizational changes in order to be successful (By, 2005). Change management currently seems to be mostly reactive and ad-hoc with failures

rates of around 70% of all change programs initiated (Balogun & Hope Hailey, 2004). Because of the sudden adjustments that stores have had to make due to government regulations their change processes were also suddenly started and are most likely reactive. The way managers used change management to transform digitally during the COVID-19 pandemic is interesting to study as in these times their normal business models are largely outdated due to government regulations. In order for stores to survive and possibly thrive in the COVID-19 pandemic managers and stores have to change, and that change will need to be carefully managed.

1.1 Research question

In this study we aim to answer the following research questions:

What approaches do clothing boutique and branch establishment managers take to manage their company or branch through a digital transformation during COVID-19?

Digital transformation of fashion retail will emphasize IT instead of communication with customers and the sales skills of personnel. The service that costumers receive in the shops is no longer what drives sales. Instead, clothes that are offered and presented online on a website or social media platform determines purchases. Boutique and branch establishment managers are thus forced to change, and it is therefore important to research how managers can facilitate a digital transformation.

This research project offers insights into how clothing boutique and branch establishment managers can use change management to apply digital transformation to respond to the potential change in consumer behaviour due to COVID-19 and its subsequent restrictions. The results may serve as insight for fashion retailers on the need and desirability to diversify into online sales channels and practices on how to do so.

1.2 Research objectives

The primary aim of this thesis is to provide a typology of different approaches employed by

branch establishment managers and boutique managers to transform digitally. This thesis has three sub aims that are used to answer the primary aim. Firstly, this thesis aims to provide insight on what actions clothing boutiques and branch establishment managers have taken so far to transform digitally. Secondly, this thesis aims to provide insight on how clothing boutique and branch establishment managers implemented changes to transform digitally in response to COVID-19 pandemic. Lastly, this thesis aims to lay out hurdles that clothing boutiques and branch establishment managers experience when transforming digitally. The actions, manner of implementations, and hurdles will be used to create typology of approaches.

The current study extends the body of knowledge in different ways. Firstly, this study offers practical implications for fashion organizations during the COVID-19 pandemic, which may help them enhance customers' satisfaction. Secondly, this study offers practical lessons on how managers implement changes to transform to a digital environment. This offers insight about how to transform digitally to other managers. These managers can learn from these examples and with this increase their chances of successfully transforming their business online. Moreover, our study adds new insights on how change management is applied during the COVID-19 pandemic in the fashion branch. It contributes knowledge to the field of digital transformation and change management by creating a deeper understanding of how managers respond to changed consumer behaviour as a result of a global crisis.

2. Theoretical Framework

2.1 Digital transformation

In recent years, almost all industries have taken actions to include new digital technologies and exploit their benefits. Key business operations as well as management may subsequently be transformed (Matt et al., 2015, Kotarba, 2018). Nowadays, consumers service in most industries has been, at least partly, replaced by software robots in the form of chat robots or automated phone assistance. An example of a specific tool for this is the design of Vivi, a social software

robot that helps customers formulate requests designed by Vivo, a company in the Spanish Telefonica group. This robot had over 10 million interactions with customers and 94% of the questions were solved by Vivi (Ebert & Duarte, 2018).

Moreover, digital transformation does not only occur in business, but also in the public domain at various levels, such as in countries, regulators and economic alliances (e.g. the European Union's Digital Single Market) (Kotarba, 2018).

According to Ebert & Duarte (2018, p. 16), digital Transformation "is about adopting disruptive technologies to increase productivity, value creation, and the social welfare". However, this is not a clear definition of what digital transformation in itself is. While it outlines several clear goals of digital transformation, it does not provide insight on the ways in which the organization as a whole is affected by these changes. Kotarba (2018, p. 123) defines digital transformation as "the modification (or adaptation) of business models, resulting from the dynamic pace of technological progress and innovation that trigger changes in consumer and social behaviours". Hinings et al. (2018, p. 53) give a more inclusive definition of digital transformation and state that "... by digital transformation we mean the combined effects of several digital innovations bringing about novel actors (and actor constellations), structures, practices, values, and beliefs that change, threaten, replace or complement existing rules of the game within organizations...". This definition reaches beyond digital transformation itself, and also includes the changes to the rules of the game within organisations.

The definition that this thesis's definition is based on states that digital transformation is "transformation of products, processes, and organizational aspects owing to new technologies" (Matt et al., 2015, p. 339). Digital transformation here explicitly includes digital activities at the interface with or fully on the side of customers (Matt et al., 2015). This definition relates to the change in technological use for boutiques and branch establishments, in which technology

changed the process of sales, the offering of products and the organization. To have a better fit to the current context however, and to provide an integrative definition of digital transformation, the definition of digital transformation of Matt et al. (2015) is slightly tailored. Digital transformation in the current study is defined as the process of transformation, implementation and integration of technologies in the day- to-day operation and operating processes, products and organization aspects. This definition of digital transformation extends that of Matt et al. (2015) by, instead of only including transformation, also including integration and implementation of technologies in the business processes.

The digital transformation marks a great change in the way businesses operate and business is conducted. New technology brings with it great promises of wealth and opportunity but they often comes at a price of structural integration in every aspect of the business model. Consequently, effectively capitalizing on the opportunities and value that new technologies bring means that virtually all components of a business structure will be affected (Kotarba, 2018, Matt et al. 2015, Ritter & Pedersen, 2020, Ebert & Duarte 2018). New technologies can and in most cases will affect all aspects of the business model, such as supply chains, sale channels, client relations ,and the entire business process of the company itself. In return for this,the digital transformation brings with it many opportunities, such as increased productivity, increased sales, novel forms of customer interaction, securing existing and exploring new markets, better resource application, new partnerships, courting and establishment of new customer bases amongst others (Kotarba, 2018, Matt et al. 2015, Ritter & Pedersen, 2020, Ebert & Duarte 2018).

Because of the severity and scale of these changes, it is little wonder that, despite the promised upside, a digital transformation faces a fair share of obstacles. There are internal barriers such as company structures or cultures, lack of digital transformation strategies, return on investment (ROI) visibility, or fear of cannibalizing existing businesses, also called the ‘innovator’s

dilemma' (Ebert & Duarte, 2018). The innovator's dilemma encompasses the idea that innovators are afraid of the cannibalization of existing business aspects, such as certain customers or products (Igami, 2011). Essentially this is a fear of alienating (part of) your customer bases by changing the way one's business operates. External barriers also exist such as the doubt whether the digital transformation will benefit society, a shortage of skills and a qualified employees to properly carry out the digital transformation, missing infrastructure, missing regulation and consumer protection, and poor access to funding, which is particularly the case for small and medium businesses (Ebert & Duarte, 2018).

To help navigate these roadblocks, companies can develop and employ digital transformation strategies. Digital transformation strategies take on a different perspective and pursue different goals than mere IT strategies. Digital transformation strategy has a business-centric perspective, it focuses on the transformation of products, processes, and organizational aspects by using new technologies. The scope of business-centric digital transformation is more broadly designed and explicitly includes digital activities at the interface with or fully on the side of customers. This goes beyond mere automation and includes changes to and implications for products, services and business models (Matt et al., 2015; Ritter & Pedersen, 2020). It is critical to get a fit between the digital transformation strategy and the other business strategies. Digital business strategies often discuss the possibilities and the effects of digital technologies for firms. Matt et al. (2015, p. 340) describe digital transformation strategies as "blueprints which support companies is governing the transformation that arise owing the integration of digital technologies, as well as operations after transformation".

In sum, digital transformation involves both upside and risk. It is therefore important to develop and stick to a digital transformation strategy (Matt et al. 2015). When threats are properly avoided and opportunities seized, organizations have a chance to better than average growth rates, securing their position on existing markets or exploring new markets (Kotarba 2018).

However, these strategies need to be properly implemented and carried out for them to be effective. As such, managers carry much of the responsibility for the implementation and eventual success of a digital transformation strategy. Therefore, the next section will discuss literature on the role of managers in transforming digitally and what actions they can take to transform their organization digitally.

The literature on digital transformation distinguishes that it can either be voluntary, when organizations actively shape their future strategies, or reactive, when unplanned and unexpected changes adversely affect business models which then calls for emergency operations and restructuring (Kotarba, 2018). Following Kotarba's point, part of the digital transformation for fashion boutiques and branch establishments may be unplanned and unexpected, because of the sudden emergence of COVID-19 in 2019. Fashion retail is potentially forced with a discontinuous change, previously described by Luecke (2003, p. 102) as a "single, abrupt shift from the past". Especially due to forced changes in shopping behaviour, by amongst other restricting customers from physical shopping, boutique store and branch establishment managers will perhaps be forced to transform digitally to meet customer's needs and have their company survive.

On the other hand, some managers may already have been planning the digital transformation of their company, and this would constitute more to a continuous change. However, Meyer et al. (1990) note that change by itself does not occur incrementally but discontinuous. Therefore, viewing change as incremental can be a danger. Industrial change levels can occur faster than a single organisation can implement them, on the other hand one organisation can be a frontrunner as well by introducing a new technology. Meyer et al. (1990) argue that the scope and intensity of change is changing; not continuously, but discontinuously; not incrementally, but in abrupt shifts. These changes impose radically different competitive requirements and can therefore redraw industry boundaries, trigger metamorphic changes within organisations, and

allow entrepreneurs to fashion new organisational forms. I argue that change in digitization of boutiques and branch establishments is of discontinuous nature, especially in boutiques as they more often focus on physical sales. To explore whether managers treated and experienced digital transformation as continuous or discontinuous, questions about their experience will be included in the interviews.

Times of discontinuous change like this can rightfully be referred as crises within the industry. The question then arises how companies can employ and maintain a strategy in these times of crisis effectively, and potentially even enrich themselves with all the upside that the digital transformation promises. The answer to this question lies in crisis management. The company needs effective managers that can manage the crisis as well as their people and implement the company strategy effectively.

Leadership literature sheds light on crisis management and the link between managers and the strategies companies employ, also with regard to transforming digitally. While the recommended actions and strategies are tantamount, all stress the importance of management when transforming digitally and other times of crisis (Heifetz & Linsky, 2002; Porfirio et al., 2020; Wrede et al., 2020). The proposed actions in these studies are various, but they generally fall into a triad of larger themes. These are: maintaining effective and purposeful relations with key partners, a clear and well understood and communicated strategy, and cultivating or maintaining an inspiring and authentic image of yourself (Heifetz & Linsky, 2002; Porfirio et al., 2020; Wrede et al., 2020).

Heifetz & Linsky (2002) also use these points in their recommended approach to managing change, however they also make another key contribution. That is the addition of managing conflict levels within your workforce as being of high importance in effective leadership. They make the point that if conflict is completely absent from a workspace, people will see no need

for changes and thus resist doing anything, like implementing a new strategy, that might upset the status quo. On the other hand, if conflict is too high, they might turn on each other or on the manager him/herself instead of implementing the strategy Heifetz & Linsky (2002).

The literature of leadership with regards to transforming digitally specifically has a great number of recommended practices, but a general lack of approaches. Matt et al. (2015) stresses the importance of focusing on the independent threads and barriers in the digital transformation strategy, while Kotarba (2018) divides proposed actions based on the segment of the business model the digital transformation is taking place in and the activities it is altering. The segments as argued by Kotarba (2018) will therefore be used as topics on which managers can take actions in the interview guide. Digital transformation can also occur on the resource segment, which means that traditional paperwork services become digital (Kotarba, 2018). However, this paper will not focus on the resource segment of digitalization.

One of these segments would be partnerships, a topic that Ebert & Duarte (2018) also focus on. They focus managerial actions on new partnerships and note that companies might be worried about cannibalizing their existing business current cashflow to transform digitally, when this does not correspond to a need from their mainstream consumer. This innovator's dilemma might prohibit managers from taking initiative with regards to transforming digitally. Whether managers experience cannibalization of cash and existing business aspects, and what actions regarding these aspects they took, will be included in the topic list. Moreover, it will be explored whether managers embraced the digital transformation to meet consumers future needs, or were more hesitant, perhaps due to the above-mentioned fears. It will be interesting to explore whether those who transformed sooner in the long run have had less financial loss. This information can contribute to insights on good managerial actions in responding to discontinuous change.

One study that did manage to summarize the leadership digital transformation practices into approaches very well though is Wrede et al. (2020). Wrede et al. (2020) research actions of managers in reaction to digital transformation through interviews. Wrede et al. (2020) focus on the role of top managers and how their actions impact digital transformation efforts in their firms. They identify three ways through which managers influence digital transformation. These also incorporate the previously identified themes however they label them specifically as: understanding digital transformation, setting the formal context for digital transformation, and leading the change. Every one of these steps has specific managerial practices associated with it. For example, working on understanding digital transformation involves leveraging their own digital experiences, assessing what the current ‘digital status quo’ of the firm is and where they stand in this regard compared to their competitors. Setting the context involves prioritizing digital transformation within the firm, re-defining organisational structures to better fit the new paradigm and ensuring provision of resources for the transition. Finally, managers can lead the change by signalling their commitment to digitalization and building trust and commitment with employees and including them in the digital transformation process (Wrede et al., 2020).

Thus far, no insight is provided in how a digital transformation, as a seemingly discontinuous change as a consequence of COVID-19, can be managed (in the fashion branch). Customers might demand interconnectivity or integration with other technologies (like social media). Failure to adapt might drive customers away and as a result, it might very well be customers that drive digital transformation of companies (Ritter & Pedersen, 2020). Wrede et al., 2020 focus on managers in high positions, which cannot be generalised to managers in branch establishments and boutiques. Branch establishment managers have less to say about the direction of the company than top managers. They may face different barriers and can take different action because they are under supervision of the top management. Boutique owners are more similar to top managers than branch establishment managers as described by Wrede et al., 2020

because they will also go through stages as setting the formal context of digital transformation, and how and if they will lead the change themselves. Moreover, the direct comparison between actions taken when discontinuous change happens by branch establishment managers and boutique managers will be a contribution to the current literature. Practically, this will give these managers insight in what actions they can take, and provides insight into how other managers managed the digital transformation. Despite research efforts and challenges encountered in practice, the literature still lacks specific guidelines for managers on how to formulate, implement, and evaluate digital transformation strategies (Matt et al., 2015).

3. Methodology

3.1 Research design

This study utilizes the research strategy of semi-structured interviews, to collect empirical evidence from fashion retail managers (Denscombe, 2014). In other words, the empirical value of truth is provided by the respondents. Interviews as a method of data gathering were selected because of the ongoing COVID-19 crisis. While this crisis is an important part of the context of this study, it also prevents or prohibits a number of options in data collection, like participant observation. Therefore, semi-structured interviews were selected as this method is best suited for an inductive research design while also minimizing contact and allowing for appropriate distance during the pandemic. This also allowed for more participants to be included within the given timeframe.

The research design is a cross-sectional comparative case study, meaning that data is collected and subsequently compared at one point in time. We will perform multiple case studies, in which multiple Dutch boutique or branch establishment managers will be interviewed. The case study method explores real-life organisations (cases) through in depth data collection involving multiple sources of information (Gustafsson, 2017). Multiple case studies can find contrasting results or similar results across cases. When the cases are compared to each other the researcher can provide literature to create a possible understanding of the contrasts and similarities (Vannoni, 2014). The evidence created from a multiple case study is strong and reliable (Baxter & Jack, 2010). Multiple case studies create a more convincing theory because the suggestions are more intensely grounded than single case studies and allow wider exploring of research questions and theory (Eisenhardt & Graebner, 2007).

The goals of this study are to find different approaches used by branch establishment manager and boutique owners in connection to digital transformation. The conceptualisation of Langley & Abdallah (2011) of strategy as practice is important here. The ontological view on strategy employed throughout this thesis is that strategy consists primarily of conscious and deliberate practices in response to a phenomenon. Approaches in this context are defined not by the discourse but by the actions of the managers. In this sense, practice is viewed here as “something people do” (Langley & Abdallah, 2011).

Consequently, the research will try to formulate these approaches through the actions that managers take with regards to digital transformation. Practice is thus not only of empirical interest to this study but also includes an ontology as building block for reality (Langley & Abdallah, 2011). This approach has received critique, but as Miettinen et al. (2009 p.1312) write, “social practice theory is not a unified theory, but rather a collection of authors and approaches interested in studying or theorizing practice, each of whom has his or her own distinctive vocabulary”. One of the common features of this practice-based approach is that it emphasises the way in which knowledge is embedded in practical activity. By this it is meant that people perform practices that draw on their understanding of how to act in specific situations (Rasche & Chia 2009). This ties in well with the current study as this study aims to establish approaches based on managers’ actions in response to COVID-19 restrictions.

3.2 Recruitment of participants

Participants were recruited between March 2021 and April 2021. The study population of this research is Dutch fashion branch establishment manager and boutique owners. Branch establishment managers were approached through email or LinkedIn. Purposive sampling and the author’s network were used to find ten boutique managers. In total, 22 interviews were conducted for this sample in Dutch taking approximately 30 to 45 minutes each. The transcripts of the interviews contained 103 006 words and spanned 237 pages total. The sample was split

evenly with eleven branch establishment managers being interviewed as well as eleven boutique owners. Eleven branch establishment managers of the following chosen large fashion retailers in the Netherlands that have both online and brick-and-mortar stores were included: Primark, Mango, Tommy Hilfiger, Anna Van Toor, Gerry Weber, Hugo Boss, Marc-o-polo, Veramoda, Jack & Jones, & Hema. Additionally, several boutique owners from small to middle-upper segmented boutiques were also interviewed. The age of the participants ranged from 28 to 60, with an average of $M = 44$ ($SD = 12.4$). Most had a bachelor's in applied sciences level of education (HBO, as it is called in the Netherlands). Of the participants, 14 were female (62.6%). An interesting observation was that most ($n = 10, 91\%$) of the boutique owners were of the ages 43 and up. This is possibly due to the fact that they had experienced their passion for working in the fashion industry at earlier ages. At earlier ages they were working in management with other fashion organizations and also as a model they had gained adequate experience to start their own fashion boutiques. Some of them had done fashion designing studies, window dresser training and had immense knowledge of patternmaking and they were also designing their own styles for their own boutiques. Further descriptive statistics can be found in Table 1.

Clothing boutiques are often not part of a larger chain of businesses, whereas branch establishments are. Boutique managers are also often the owner. Owners are more involved at a strategic level as well, and are busy with strategy, finances and future plans of the organization. Whereas managers are more involved at an operational level and closer to the workplace and they often also know what is going on among employees. It is interesting to see the difference in change management between boutique and branch establishment managers because of their differences in scale and available resources. Moreover, branch establishment managers are part of a larger chain of businesses and an overarching organization whereas boutiques mostly operate on their own. Digital transformation might be easier for branch

establishment managers to use, whereas boutique managers are likely to face different challenges and apply change management differently.

Table 1. Descriptive characteristics of the study sample (n = 22)

Characteristics	Boutique managers n =11	Branch establishment managers n =11	Total n =22
Age (mean, sd)	52.7, 9.2	35.3, 8.3	44, 12.4
Years in current positions (mean, sd)	10.1, 7.0	3.3, 4.9	6.7, 6.8
Level of education (n, %)			
High school	5, 45.5%	2, 18.2%	7, 31.8%
MBO	2, 18.2%	3, 27.3%	5, 22.7%
HBO	2, 18.2%	4, 36.4%	6, 27.3%
WO	2, 18.2%	2, 18.2%	4, 18.2%
Female (n, %)	9, 81.8%	5, 45.5%	14, 63.6%
Years of management experience (mean, sd)	16.1, 15.5	9.2, 8	12.6, 12.5

3.3 Data collection

The used interview guide, as visible in appendix 1, was tested for clarity on two boutique managers to see if the guide was clear or needed further editing. The topics discussed centred around the steps taken in the digital transformation and how the managers adapted to these changes. Additionally, changes that had been managed thus far and what hurdles are being experienced were also discussed. During the interview participants gave feedback and were available to provide additional information where needed. All participants were asked for consent and signed consent forms, for recording their interview. The consent form that this study used can be found in appendix 2. Participants' information was handled with the utmost confidentiality; no personal names were used in this thesis.

3.4 Data analysis

The units of analysis in this research are the approaches taken by the managers to manage their organization through digital transformation. An example of how this might eventually be reported can be found in figure B, appendix 7.

The goal of this research is to come up with one or more types of approaches managers and boutique owners take in managing digital transformation. Therefore, the Gioia method was selected for data analysis, as this method lends itself well for the generation of process models out of raw data (Langley & Abdallah, 2011). The Gioia method is unique in the sense it is inductive, allowing creativity and the generation of new concepts and theories, while also giving more qualitative rigor than alternate methodologies. The method functions by building data structure through progressive abstraction (Langley & Abdallah, 2011) and can be described as a systematic inductive approach with the aim of concept development (Gioia et al. 2012).

A strong assumption of the Gioia method is that, in our case, the managers are *knowledgeable agents* meaning that they know what they are trying to do and are able to explain their actions. This puts the researcher in the position of a *reporter* whose prominent role is to give an account

of the managers experience. Therefore, the analysis will start with open coding, meaning that data is approached with a clean slate. The researcher does not presume or impose prior constructs or theories on the managers to explain or understand their experience.

Analyzing data will not start with the premised concepts or categories, creating a certain openness on how the data are analyzed. This openness allows for advances in knowledge that are not rooted in what we already know. By taking and grouping statements from the interviews together, categories emerge that can be further grouped and abstracted to uncover themes (Gioia et al., 2012; Langley & Abdallah, 2011). Therefore, this method allows for the discovery of new concepts (Gioia et al. 2012).

First, we created first order categories out of the interviews. For instance, in the interviews the managers were asked the question: “Can you give me an idea of the steps you took towards digitization during the COVID-19 crisis?”. They can answer with, for example, “investing in a new website”. This is a first order category. The discovery of these relevant concepts has the purpose of theory building. While uncovering these concepts, the emphasis is on the social construction process of the concepts. The social constructions process implies the means by which managers go about constructing and understanding their experience and not so much about the frequency of measurable occurrences. The Gioia method is an approach that captures new concepts “in terms of adequate level of meaning of the people living that experience and adequate at the level of scientific theorizing about the experience” (Gioia et al. 2012 p.16) During the first order analysis, the interviewees terms were adhered to as much as possible.

Next, we created second order themes. From the first order category, the second order themes arise. For instance, “investing in a new website” becomes the theme “website”. This is a new demonstration of how data, the reported experience of the manager and the induction of the new concept are linked. After this, we build our theory by making certain graphics, an example

is given below and in Appendix 4. These graphics can be divided into four categories based on when they occur (time order) as can be seen in table B, appendix 7. Two of these are used in the current study:

- a. Initiatives: What kind of digital transformations were used by managers to digitally transform their business?
- b. Responses: how did people (e.g., managers, the personnel and customers) respond to these changes and what hurdles did managers have to overcome?

During the interview, it was important for the researcher to try not to cite pre-existing concepts because this can lead to wrong findings. For example, when Gioia & Thomas (1996) studied how top managers in academia made sense of their environments, they avoided the concepts threats and political and found out that the managers did not use these terms, but instead used terms as political and strategic. If they would have used predefined concepts, they would have missed these new concepts and may have sketched an incorrect picture of the sensemaking of the managers' environment (Gioia et al. 2012).

Therefore, it was critically reviewed whether the interview guide did not contain any leading questions, such as “would you agree with...”, because this hampers the possibility of discovering new concepts. While taking the interviews and analyzing the data, researchers employing the Gioia method needed to be flexible, sometimes even to the point that the research question has to be adjusted because of the newly discovered knowledge.

Moreover, Gioia et al. (2012) stress that during the interview the researcher should be cautious to use the terms of the participants, so that the researchers keep true to the participants' experience, and not to the researcher's own interpretation of the experience or own concepts. In doing so, it is important to have one member of the research team taking the role of *outsider*.

For the researcher taking the interviews, it can be tentative to take on the opinion of the participants, and thereby losing the ability to theorize on a higher level.

After the data are analyzed, the report can be made. In this process Gioia et al. (2012) says that the rhetoric of writing is of utmost importance. This rhetoric of writing can be explained as a narrative or a story. First of all, the context of the managers and their situation will be discussed, so we know their background. The report will be made from their perspective by using their type of writing and their language use, including quotations, which creates a more interpretive and whole report. The managers will be involved throughout the research, during data gathering, but also during the reporting of the research, so that the report truly covers their experience.

3.5 Reliability and validity

To enhance validity and reliability, an interview guide was prepared and first tested on two boutique managers to see if the meaning of the questions was clear and whether the responses were in line with the information that we are looking for. After the proof interviews took place, any unclarities were discussed and questions were improved where necessary.

The reliability of empirical research can be improved by striving to stay objective as interviewer. As the semi-structured interviews were recorded the process of transcription will be more reliable than when notes are being taken during the interviews. Moreover, reliability can be improved by having the work checked by experts and taking a representative study sample. The internal and external validity were taken into account when selecting participants, such a age and gender, to try to get a representable sample (Easterby-Smith et al., 2015).

Ecological validity was improved by presenting the final model of actions managers can take to guide the digital transformation to the interviewees and have them comment on it. This way, the managers, our study population, will be able to judge the model's relevance for the real

world and the researcher is still able to make some adjustments in wording to improve relevance. Moreover, the Gioia method recognizes that researching this world requires a method that captures experiences in terms that are adequate at levels of 1) meaning for the people who live that experience and 2) scientific theorizing about that experience (Gehman et al., 2017).

4. Results

To show which branch establishments managers said which quotes, branch establishment managers have been labelled B1 to B11 and boutique store managers S1 to 11.

4.1 *Approaches to digital transformation*

Using the Gioia method of analysis we were able to discern three general approaches used by manager in regard to digital transformation. The associated actions and practices that they consist of can be used in a variety of contexts and for a variety of reasons. In fact, in categorizing our interviewees we found that many of them use practices associated with other archetypes than the one we found best fitting for them.

The analysis of the first order categories into themes and consequently the approaches is illustrated in figure A, appendix 6. The approaches that were defined were early, hesitant and avoidant digital transformation and will be elaborated on later. Each store used one of the approaches we found. How we categorized which approach was used by which of the stores, can be found in table A, Appendix 2. Some actions were incorporated in multiple approaches, for example managers employing early and hesitant digital transformation both used social media. However, other actions varied based on the approach employed. For example, early digital transformation often integrated the online and offline store whereas hesitant and avoidant digital transformation did not include integration as their digital transformation was not as advanced. In this regard, the choice of approach was not wholly made by managers, as

they were mostly limited in their choices in some fashion, a deeper discussion of which will follow later on in this chapter.

In general, alignment of online sales strategies in the business model was much more elaborated in early digital transformation and subsequently decreased, or was completely absent, in avoidant digital transformation. Therefore, alignment of online sales strategies in the business model is shown on the y-axis in figure 1.

4.1.1 Early digital transformation

The early digital transformation approach is defined by an eager exploration and incorporation of digital transformation in the business model, as well as the moment of transformation. Early digital transformation managers enjoy benefits of their business transforming early, and at the moment of the interviews had already incorporated digital technologies into the business model.

“... we already had a strong digital platform, so we did not have to take additional steps”—B2. Their business models had many new and relatively advanced options available for managing the changes in consumer behaviour and demand during the pandemic. Unsurprisingly then, these managers stressed the importance of making full use of the digital capabilities. This meant focusing on options like pick-up in store or order in store that allow for online and offline shopping to be combined, but also included coordinated online marketing through social media and use of influencers. *“... we invested heavily in what we call the omnichannel, so that means the division between online and offline shopping and how we can connect offline in-store purchases to online products”—B8.*

As such, requirements for employing this approach are a certain level of preparedness, openness/willing to change, seeing the importance of digital transformation, advanced digital actions like linking the offline store to the online store (Figure 1) and the resulting place digital technology has in their business model. Most, but not all, early digitalizing managers focus on

deep integration of technologies in the business model resulted in merging online and physical storefronts. This unified storefront has been referred to as omni-channel and as such also has become the most advanced example of digital transformation in this study.

The resulting practices of managers focus on the implementation and integration of these options in the business model and day-to-day operations of the store. They do this by, for example, promoting the online capabilities with physical in-store customers, training their team to know how the website and online functionalities work, incorporate social media marketing in their in their daily routines and more.

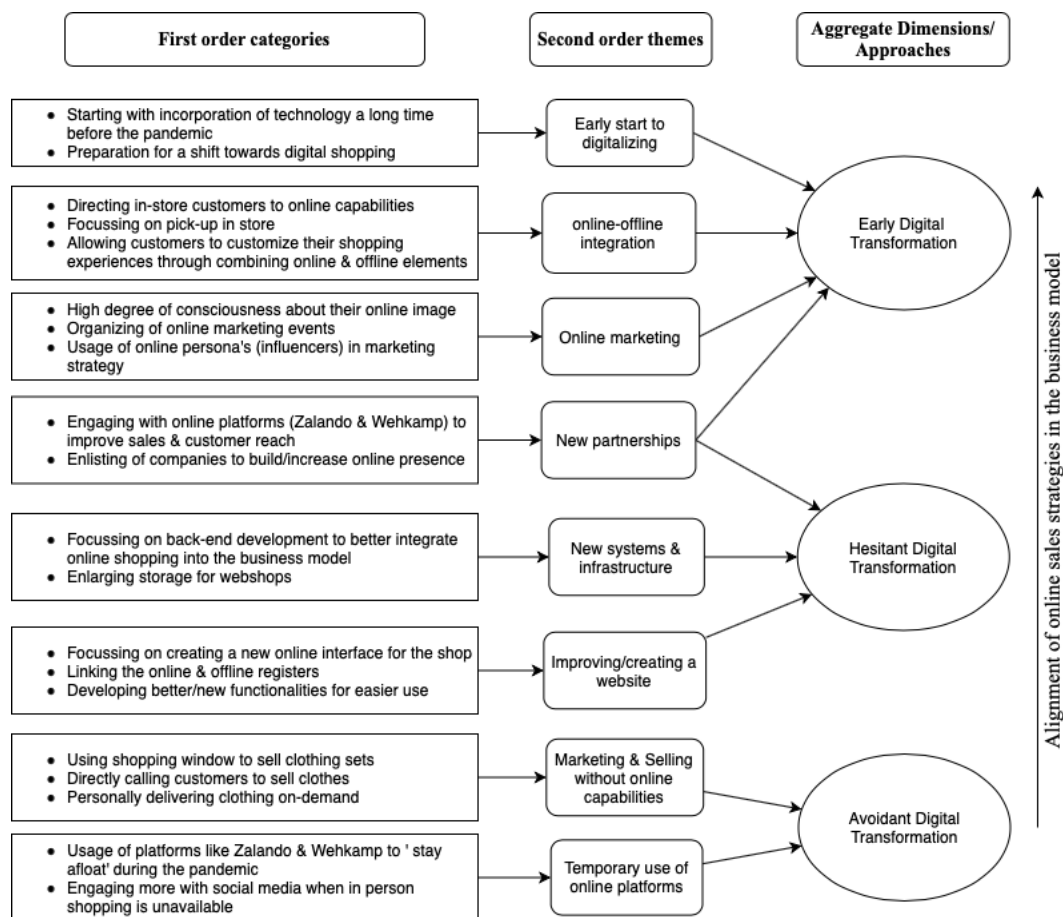


Figure 1. Gioia analysis of manager approaches.

Hurdles for early digitalizing managers were mostly the level of quality they wanted to keep up, or the heavy time commitment to enable to full merge of the online and offline store.

Moreover, it was sometimes difficult for staff to accept the merge between the offline and online store without fearing the physical store would disappear or offering some resistance to new tasks.

4.1.2 Hesitant digital transformation

The hesitant digital transformer employs several of the same practices as the early digital transformer. Key differences here however are that the hesitant digital transformer has only recently started the digitalization process due to external circumstances and is still adjusting its business model to fit digital transformation. The definitive push that made these managers employ this approach to transform digitally was the pandemic. “[digital transformation] went a little forced, so to say, because [B3] is a store people traditionally got to” –B3. In the other 2 cases this was due to a rebranding of the stores in question, however it is entirely possible that that decision too was inspired by the pandemic.

A key feature of hesitant digital transformation is the rapid development of digital systems and infrastructure to support the new technology. Because the push towards digital transformation has often been sudden and immediate, no proper systems were in place to support new technologies yet. “It was previously a website that was a bit flawed and especially during corona we encountered this” –B3. The added urgency causing the digital transformation caused hesitant transformers to focus only on technologies that have a proven effectivity. There also is a tendency for these changes to be one dimensional. A company investing heavily in updating or creating an online storefront usually is not also investing a lot of resources in online marketing through influencers for example. Where early digital transformation seeks to explore and try out many new options on the market, hesitant digital transformation goes one step at a time.

As mentioned before, hesitant digital transformation managers are currently going through the process of digital transformation. Practices of managers therefore include some of the early digital transformation approach, like increased online marketing and the exploration of new digital and mutually beneficial partnerships, but also tend to include self-learning and training to integrate the new technologies.

Hesitant digital transformation encountered hurdles mostly relating to the sudden and rapid shift of digital transformation, like the time investment, keeping up with other stores, resistance of personnel, high cost of developing digital infrastructure, and other growing pains such as operating with the new technologies.

4.1.3 Avoidant digital transformation

This approach was mostly seen in boutique owners and is categorized by an attempt to maintain business as usual as much as possible without large concerted efforts to transform digitally. Technologies were used in many cases, but often more complimentary to the normal processes and as a temporary alternative to the in-person options unavailable during the COVID-19 pandemic. For example, they would use social media to communicate with customers and orchestrate sales as an alternative to the in-person in-store meetings that now couldn't take place because of regulations. Another example is the use of temporary online platforms to make sales like Minto or Facebook. These were used to generate sales but often in these cases they were seen as a temporary fix to generate revenue.

Over all these managers mostly aimed to make the most out of the options they already had at their disposal rather than try to incorporate new ones. Social media usage for marketing was upscaled or more e-mails were sent out, but all these elements were already present in the business model. Furthermore, these boutique owners tried to keep their existing customers

rather than try and appeal to new ones. Also, the revenue brought in through online platforms often was not enough to warrant large changes to the business model.

While this approach too aims to get the most out of its current business model, it differs largely from the early digital transformation approach in a number of crucial ways. Firstly, where the avoidant approach does not involve complete incorporation of digital technology in their business model, the early digital transformation does. Secondly while avoidant managers double down on their existing loyal customer base, the early digital transformation managers try to court to the new customers with its offline-online integrative experience to their liking. Hurdles while also helping existing customers transition to the new dynamic and helping tailor their shopping experience to their liking. Hurdles for avoidant digital transformation was not having enough money time or staff to transform digitally and not having a suitable client base. Strikingly, contrary to hesitant digital transformation, their staff was extremely supportive for the decisions they made and often mentioned being proud of how digital transformation was going. The lack of resistance might be explained by many managers who avoid digital transformation having smaller boutiques and very close work relationships with their personnel.

Avoidant digital transformation differs from hesitant digital transformation in their planned usage of new technologies. While hesitant digital transformation embraces and accepts new technologies, avoidant digital transformation make use of them, but does not plan to use these technologies in the future for different reasons. Avoidant digital transformation sometimes made little return and digital transformation did not manage to find a place in the day-to-day business models of the stores. A key difference, therefore, between hesitant and avoidant digital transformation is that hesitant digital transformation seeks to and invests in incorporating digital technologies in their business models while avoidant digital transformation does sometimes explore digital transformation options but does not (manage to) fully incorporate it as part of the business model.

The next section will, amongst other things, discuss actions taken by managers, how managers implemented digital transformation and which hurdles were experienced and table 2 shows per approach which actions, implementation styles and hurdles were common.

Table 2. *Actions, implementation style and hurdles per approach*

	Early digital transformation	Hesitant digital transformation	Avoidant digital transformation
Action			
Preparedness/easy transition	●	⊗	⊗
Action			
Online/offline integration	●	⊗	⊗
Online marketing (events, influencers, proper website)	●	○	⊗
Social Media	●	●	●
New partnerships	●	•	⊗
New systems and infrastructure	○	○	⊗
Improving website	●	●	○
Marketing/ selling without using online capabilities	⊗	⊗	●
Shopping window presentations	○	○	●
Implementation by manager			

Training personnel	•	○	⊗
Hiring new personnel	○	•	○
Coaching/guiding personnel	•	•	○
Process improvement	•	⊗	○
Empowering/involving personnel	●	•	⊗
Creating team spirit	●	●	○
Ask for feedback	●	○	○
Hurdle			
Not being able to assist	●	○	•
Lack of sensation	●	●	●
High costs	○	•	○
The main office	●	○	○
Resistance of personnel	●	○	⊗
Cases (unique) ¹	B2, B5, B6, B7, B8, B9, B10, B11, S3, S10	B3, S5, S6, S7, S8	B1, B4, S2, S4, S9

Branch establishment managers have been labelled B1 to B11 and boutique store managers S1 to 11

Black circles (“●”) indicated that $\geq 80\%$ of the stores using this approach had this condition, (“●”) indicate that $\geq 50\%$ of the stores using this approach had this condition, “•” less than 50% but $< 20\%$ of the stores using this approach had this condition, and open circles (“○”) less than 20% of the stores using this approach had this condition.

indicate its absence, and open circles (“○”) indicates that $\geq 20\%$ of the stores this condition. In case all approaches had ⊗ or ○ on a condition, the condition was not included in the table.

¹Case S11 and S1 did not fit a typology based on figure 1.

4.2 The experience of digital transformation

As described above, managers employing early digital transformation felt they were already fully equipped for the shift to online shopping. Managers experiencing hesitant and avoidant digital transformation often described the change as forced and were unprepared. *“We kind off had to go with the digitalization.... in order for customers to be able to make online appointments”- B1.* They described that they had to take quite some actions to transform digitally. Most started by creating a website or had to improve it because *“...before [COVID-19] it was really still a website that was very flawed”- B3.*

4.3 Shift from offline to online shopping

We identified that managers employing avoidant digital transformation experienced *“... a huge switch-over to online shopping...” – B1.* Hesitant digital transformation experienced it more as an acceleration of an already occurring phenomenon. Moreover, hesitant digital transformation is characterized in general by experiencing a forced change. *“Well, if you look at B3 than it went a little forced, yes, because our clients traditionally come to our store”-B3,* while early digital transformers already planned digital transformation and welcomed it. Early digital transformation was characterized by already having a strong online presence and no problematic shift experienced from offline to online shopping. *“We were already very digital, so in this there was not really a shift.”-B8* and if asked regarding how they experienced the shift *“very natural, as organization we always want to anticipate on the trends and we saw the shift from online to offline shopping coming already a long time ago”-B5.*

4.4 Actions taken to transform digitally

In the terms of Gioia, actions taken by branch establishment and clothing boutique managers

can be defined as initiatives. We identified the following actions taken per store, as shown in table B, Appendix 3, improving the website, creating options for making online appointments, implementing new systems, providing online/phone assistance, creating an online/offline cooperation, making use of new partnerships, social media use, having extra sales/discounts, hosting online events, using the shopping window for online/phone sales and, increasing the period in which items can be returned. Moreover, we compiled figure A, Appendix 3 showing examples of some of the first order themes which subsequently led to the second and third order themes and thus provides the data structure of actions taken by managers to transform digitally.

With regards to online and offline cooperation, we mean the cooperation between the offline, physical store, and the online store. We observed that managers employing early digital transformation tried to create *one store* instead of a division between offline and online, for example “... *order at home but then pick it up in the store or order it in the store and try it on there.*” – B5. This *one store* idea brings more money towards the physical stores, as customers can order online but pick up and pay for their items in the store and it is important “...*because in the eyes of the customer the store is one company and at the moment that the online and offline channels don't go together, than the costumer has some sort of obstacle to purchasing*” - B9. The importance of online income was stressed by the majority of stores. However, when the stores were open again when lockdown measures relaxed, some reported an immediate significant decrease in online sales.

Cooperation was not only found within offline and online channels of one store or company, but also between companies. Multiple stores, mostly those employing early and hesitant digital transformation, said they took part in partnerships with other companies, such as online ordering platforms, selling their brand in bigger department stores or simply brainstorming and meeting with neighboring stores.

Of the 22 stores included in this study, 20 used social media in response to the COVID-19 pandemic to attract customers online and offline. Some innovates ideas, such as modelling the stores clothes online, were created to attract customers. Another action to promote sales was the increased use of shopping window presentations. “.. *what worked the best was my shopping window during the COVID-19 pandemic, because in my shopping window on the tables were all kind of clothing on sale. I got all kinds of messages whether items were still available and in which sizes*” - S2.

Some stores took online assistance a step further and created online events to “...*for example help and style...*” - B8. Others were hosting sales, whereas yet others were explicitly against hosting sales, “...*because if you do it ones then they will say next time ‘Yes, but then I also got discounts, yes but then, yes but then...*” - S1.

Taking it one step further, some stores, mostly those employing an early and hesitant digital transformation approach, build an actual building which served as online webstore, meaning that all online items were kept in this building. This concept was even referred to as the “offline online webstore” but in reality, this warehouse functioned only as a separate warehouse for the webstore. Furthermore, some stores chose to elongate the period in which clients were allowed to return items to the store. In addition to these actions, of the 22 stores three stores (B5, S1, B11) mentioned to have increased the kind of items sold online e.g., not only selling cloths but also toiletries or to have shifted the focus from what they sold online to, amongst other things, more casual wear. Others (B11) mentioned that is was less important during the pandemic to follow the trend in fashion.

4.5 How managers implemented changes to transform digitally

Table C, Appendix 5, shows an overview of how managers implemented the actions taken to transform digitally. Of the 11 branches, 5 trained their personal, for example for new tasks such

as sending orders out. Other managers even hired new personal for creating websites, application or to take photos of items.

Of the 22 managers, 6 managers employing early or hesitant digital transformation guided or coached their personal or team through the digital transformation, by amongst other things taking a leading roll or showing others how things are done. *“I stand up front, kind off, like “people, this is how it is, this is how things work””* B3. Most managers employing early digital transformation involved and empowered their personnel and some mangers employing hesitant digital transformation also did this. Whereas some staff was mostly only involved in customer contact, they now got new tasks and responsibilities like social media management or shipping orders. Involving personnel is here defined as the personnel being involved in the digital transformation process, by either being able to give their opinion, instead of merely having to follow up orders from above, or executing actions contributing to digital transformation. Most managers employing early digitalization explicitly asked for the feedback or opinions of personnel on some matters of digital transformation. *“I asked for their opinion and checked how they looked at it”* - B11. Managers employing hesitant or avoidant digital transformation did not indicate asking for feedback. Moreover, none of the conditions of digital transformation observed were taken by managers employing avoidant digital transformation as can be seen in table 2. This could be explained by some of these managers not having personnel (Table C) or some managers not transforming and therefore also not having an implementation style.

During the transformation, some store managers employing early digital transformation were focused on process improvement and *“took specific processes under close inspection to see what could be improved.”* - B9. *“So we set up real think tanks with different branch establishment managers, with different employees from the stores, to get all the input.”* – B8. Hesitant and avoidant digital transformation did not include process improvement.

Branch establishments often mentioned that they had to follow decision made by higher level management, which was in some cases seen as positive and in others as an obstacle, which will be discussed more under point 4.5. Unique points that stores employed to implement digital transformation were for example the implementation of day starts. *“We always have a kind of day start in which we discuss a number of matters and which also offers the opportunity to be open and share experiences” - B8.*

4.6 Hurdles when transforming digitally

Table D, Appendix 6, shows the hurdles experienced per store. The following hurdles were identified; not being able to assist, lack of shopping sensation when shopping online, high costs of digital transformation, the time investment required to transform digitally, the main office giving restrictions, the main office only profiting of online sales, resistance of personnel, old systems, and high-quality standards that delay transformation. Multiple stores employing early digital transformation and some employing avoidant digital transformation spoke of the hurdle of *“not through the store being able to assist the customer with purchases.” - B9.* They stressed that *“... online we cannot assist the customer, we can’t let them know whether something fits right or not” -B5.*

For all approaches managers also noticed the lack of sensation, which was more on the side of the customer, as a hurdle. Customers *“want to see and want to try on and want to experience hey, You want to see the colour and etc.” B3.* In the stores *“... you can watch, choose and then you have someone we can say something about it to you” B5.* For multiple managers this lack of sensation or experience during showing was also a hurdle for them, as they saw service and providing an experience as what set them apart from other stores. Here there was in some cases also an apparent disconnect between the perceived benefits of digitalisation and boutiques’ business-models. Distinct strengths of boutiques like uniqueness, diversity, or service-quality are not compatible with the large scale selling to grand audiences that digital transformation

offers. *"I have 27 brands, 1 item of every size, and to put all that on a web shop is impossible. A web shop is fun when I have 10 pairs of pants in size 38. Then its tenable and you can sell, but not if you only have 1 per size."* – S9. Stores focussing on these qualities or a personal relationship with their customers reported that digitalisation was an ill-fit for them on these fronts. Consequently, some boutique managers reported an adversarial stance towards digitalisation because they feared losing these qualities in a digitalisation process. One store had a unique feature, in which they offered the option to order directly online what people could watch online during runway shows to try to still give people an experience. In their opinion *"... innovation goes together with sensation; I do not know any other fashion company that so fast during a presentation on the runway gives to possibility to purchase..."* – B2.

Immediately delivering a high-quality application and website was mentioned as a hurdle by one store because *"we are already working long on developing an app, but that does not go as easy if you are [B8] and you want the best for you customers."* – B8. Another store saw the costs as the primary hurdle because *"... the costs related to digitalize and actually building a website that costs a lot of money and, to say, offer the clients as much as possible and as cheap as possible clothing are those costs that we cannot afford"*. B1. They noted that when they *"...digitalize, our clothing will also become more expensive."* B1. Moreover, two stores saw the time invest as hurdle. Boutique owners specifically mentioned the up-front cost combined with the inherent risks of quick returns on investment involved in digital transformation as big hurdles to transform digitally.

Branch establishment managers often mentioned that they had to follow decisions made by higher level management which was in some cases seen as positive and in others as an obstacle. Almost all branch establishment managers mentioned the main office to be a hurdle at some point during digital transformation. For example, that *"the main office wants to stay in charge of it [the Instagram page]"* - B9 or *"... the head office says: you have to do that"* - B3. These

managers “...*hope that in the future, branch establishment managers have more freedom to make choices...*” - B8. In particular, for branch establishments it could also be a problem that customers cannot order at a specific branch store online, but all online sales go to the main office which subsequently brought in less money for branch establishments. Whereas other branches, such as B6, were allowed to have their own web shop in addition to the head office web shop and website. It was also reported by some managers that having an online storefront exist independently of their own physical store led to internal competition between the physical and the online store.

Despite not being mentioned as a direct hurdle, managers employing early digital transformation commonly experienced “*some resistance like ‘no I don’t want that’*” - B11 from their personnel. One of the managers explained that “*Eventually it is the job of the employee that is influenced by customers not coming to the stores, and then the store does no longer have value and potentially has to close. That is often the train of thought of people...*” - B11 and that this causes resistance. Another manager elaborated that their experienced resistance was caused by online sales made in the store were “*...not immediately visible on the daily turnover...*”. For another store (B3) the resistance had more to do with technological problems. Other stores explicitly mentioned that there was no resistance of their personnel.

Although perhaps not a hurdle to digital transformation, multiple stores mentioned that during the COVID-19 pandemic they experienced their dependence on foreign factories as a hurdle to selling online and offline as they for example “*...never got certain collections...*” - B8 or “*...the trucks could not get over the border...*” - B5. Furthermore, some stores mentioned that they were affected by the COVID-19 regulations, either by constantly having to change items they were allowed to sell as a consequence of changing policies, or by hygiene measures not allowing people to fit clothing.

4.7 Other observations

Other interesting observations were that managers often started calling regular customers during the COVID-19 pandemic to maintain good customer relations. Moreover, multiple owners decided to start cleaning and organizing their storage during the COVID-19 pandemic to spend time useful.

4.8 Differences between branches and boutiques

A difference in the approach taken by boutique and branch establishment managers seems that contrary to branch establishment managers, boutique managers do not regularly train their staff. This might be related to their team being in general smaller, and contact being closer which makes managers not really identify explaining new tasks or technologies as training. Regarding hurdles managers experience, we saw a clear distinction between branch and boutique managers. Almost all branch establishment managers experienced the main office as a hurdle at some point during digital transformation. The main office being a hurdle was mostly related to the restricted freedom to set up their own initiatives, such as an individual/personal own webstore.

In contrast to branch managers, boutique managers, being often the owner, did not lack any autonomy in decision making. Boutiques, however, are limited in their interactions with their customer base. The customer base of boutiques is in general smaller and customers stand in a much closer relation to boutique managers. Boutique owners often mentioned they knew their customers very well and also personally, and digital transformation did not offer the possibilities for this kind of close contact. Some branch managers, however, also mentioned close relationships with customers.

4.8.1 Autonomy and customer base

While we already listed some factors influence the chosen approach, two other main factors have been identified that affect the decision: autonomy and customer bases.

The factor of autonomy as a problem mostly applies to branch managers. Boutique managers often own the boutique or have (near) total autonomy, so they do not face problems with authority, or freedom of choice on what actions to perform.

Branch managers have to comply with company policy and orders given from above, and these might contradict their own input and ideas for the stores and digital transformation. A branch manager is limited in its choice of options by company policy. On the other hand, some branch stores were relatively autonomous in their digital profiling, running their own social media accounts and thus being able to decide how and where to promote themselves. Thus, the question of autonomy is important to managers because it directly relates to actions they can implement.

The role of customer bases is one that affects boutique owners the most. While branch managers overall oversee larger stores, connected to large big brands with a large and relatively diverse base of customers; boutique are often smaller in size and have consequently have a much smaller customer base. This is not a direct negative, however, as the boutique owners in many instances mentioned the personal relation they had with their customers and the loyalty that flowed from that, it also means that they stand much closer to their customers than many branch managers do, thus allowing them to adapt to customer demand more quickly. Alternatives for physical in-person contact such as calling, Facebook messaging and WhatsApping were mostly implemented by boutiques. Not all boutiques might be suitable for digital transformation, mass selling often does not fit their business model as for example customers being older of age and not desiring digital transformation might not like such changes. Changing their business model therefore also means changing their relation to their customers and it might explain the lack of

return for some boutiques that did transform digitally, e.g., with a webstore. This can also explain the relatively little digital transformation efforts from boutique owners.

5. Discussion

We found a variety of actions, management strategies and hurdles to transform fashion branch and boutique stores digitally which could be categorized into three approaches. Early digital transformation was characterized by a level of preparedness to transform digitally before the COVID-19 pandemic, openness and willingness to transform digitally, seeing the importance of digital transformation, making active use of social media and online marketing, using advanced digital actions to transform like linking the offline store to the online store and the resulting place digital technology has in the business model.

On the other hand, hesitant digital transformation was characterized by being pushed into the digital transformation by, mostly, government regulations prohibiting physical shopping, unpreparedness, seeing digital transformation as important but being less enthusiast than managers employing early digital transformation and at the same time also seeing digital transformation as difficult and expensive. They often made use of social media, started to make partnerships and started implementing new systems.

Lastly, managers applying avoidant digital transformation did not see digital transformation as very important. They relied on their loyal customer base and creatively thought of their own ways to connect with them. They often called, WhatsApped or Facebook messaged with their customers to maintain close relations and used new alternatives such as selling and marketing through their shopping window or making personal videos to sell clothing. Hurdles for avoidant digital transformers were the lack of sensation and not being able to assist customers. However, it is highly important to note that digital transformation in the eyes of these managers was also not deemed suitable or desirable. For example, their customer base was not appealed to online platforms or they created their own creative ways to partly transform digitally, such as selling

cloths from the shopping window through WhatsApp to their loyal customers. For all approach's managers mentioned the lack of shopping sensation as a hurdle.

Luecke (2003:102) described a discontinuous change as a "single abrupt shift from the past". Managers employing hesitant digital transformation often mentioned that they experienced a shift or felt pushed into having to change. They described that they were not prepared, and the change felt hasty. Hesitant digital transformation can therefore be linked to experiencing a discontinuous change as a result of the restrictions following the COVID-19 pandemic. Luecke (2003) also described that discontinuous change may have some disadvantages, such as defensive behaviour, complacency, inward focus and routines, which often lead to the requirement for major reforms. While managers experiencing digital transformation indeed emphasized that the change felt like a major reform, most did not experience defensive behaviour from personnel. Instead, they mentioned high costs as a big hurdle.

On the other hand, managers employing early digital transformation describe the process as, what is described by Burnes (2017), incremental change. Incremental change deals with individual problems one at a time and is implemented through successive, limited and negotiated shifts. In early digital transformation, multiple individual steps to transform digitally before the COVID-19 pandemic were taken and managers employing early digital transformation mentioned that they were currently taking successive steps building on previous steps.

While incremental change according to Burnes (2017) is a solution to the problems experienced when discontinuous change occurs, our participants employing incremental change mentioned defensive behaviour or resistance from personnel, whereas this is typical for discontinuous change (Luecke, 2003). This might be explained by the fact that almost all the cases of hesitant digital transformation were boutique managers who did not have personnel, and therefore we

could not study whether resistance or defensive behaviour was experienced when the discontinuous change occurred. Moreover, for early digital transformation managers using incremental change, the resistance of personnel was mentioned to occur mostly at the beginning of the digital transformation, before COVID-19. At the very start of digital transformation, the change likely felt more discontinuous. In the current situation, where they were using incremental change, they did no longer experience any resistance from personnel.

The reason why boutiques, mostly founded by one owner who often already held the managerial position for a long period of time, had difficulties digitalizing might be found in the path dependency theory. Path dependency theory at its base offers an explanation for the relatively low adaptability of institutions and the often-slow transition and small divergence from old to new policy (Kessy, 2018). Essentially, the theory posits that policy decisions normalize and institutionalize themselves over time. Therefore, as time progresses the policy becomes standard practice. This results in entities locking themselves in paths of policy until external factors generate enough pressure to ‘discharge the equilibrium’ (Kessy, 2018, p. 56). While this theory has had its share of criticism like its lack of convincing accounts of decision makings over time, its lack of focus on change, and its unexplored normative implications, it generally holds up as a valid and useful concept for policy studies (Kay, 2005). As demonstrated by Kotarba (2018), the digitization of companies involves the creation of new digital infrastructure and a reworking of business models. Path dependency states that the longer a policy has been in place, the harder it will be to change it or divert from it (at least until outside circumstances force the hand). This theory might partly explain why especially for boutiques where managers and personnel were already working for a long period of time, digitization might have been difficult.

However, the results also showed that digital transformation was not always desirable. Previously we stated that Kotarba (2018, p. 123) defines digital transformation as “the

modification (or adaptation) of business models, resulting from the dynamic pace of technological progress and innovation that trigger changes in consumer and social behaviours". Granskog et al., 2020 found that during the COVID-19 pandemic new customers were "reacquired" for online shopping. Partly in line with these findings, multiple boutique and branch managers mentioned that there were *"two kinds of customers developing. The first does not want to come to the store during and after corona and the second really wants to go to store"* - B5. For the second type of customer digital transformation was not desirable, and stores focusing on client segments of this type might not benefit from digital transformation as much as stores with a mixed or more type 1 centered client base. These findings are interesting for scholars as well as practice, as it sheds light on the limitations of digital transformation as it may not (yet) be suitable for all stores/client segments. From the data of our cases older clients, regular clients and niche fashion were indicated to be less suitable for digitization, but further research would be necessary to draw conclusions and indicate why these client bases may be less suitable/desirable for digital transformation.

The biggest hurdle or limitation to digital transformation was according to our participants the lack of the shopping sensation. These findings are in line with previous literature that found that when shopping fashion, some consumers prefer to physically see, touch, feel, and try the sensation of clothes that most physical product sales locations offer (Cox et al., 2005). These findings also tie in with the two types of customers. Type 2 customers probably find the shopping experience, in which they can try on items, feel and touch them, more important than type 1 customers.

Also, we found that a big hurdle for managers was the lack of shopping advice and "client treatment" they could give when customers shop online. This is also part of the shopping sensation and could explain the differentiation between type 1 and type 2 customers. Managers experiencing avoidant and sometimes hesitant digital transformation often mentioned

the fear of losing touch with your own base of customers. As noted earlier, several boutique owners mentioned clear aversion to digitalizing because of how those changes would be perceived by their customers. In this sense this may be the case of the innovator's dilemma (Ebert & Duarte 2018, Igami 2011) however, the data suggest that there is more merit to it than merely fear.

Managers might not want to start a very invasive and costly process that will likely change the very face of their business (Kotarba, 2018, Matt et al. 2015, Ritter & Pedersen, 2020, Ebert & Duarte 2018) when they have close contact with their customers and therefore can anticipate quite clearly how changing would affect their business. The close relation between smaller store owners and their customers allows them not only to, in their words, provide better service, but also to better gauge the adjustments necessary to cater to their customer base. In some cases (S9, S2) the managers received direct feedback on their digital transformation actions from their customers and realized a disconnect. *"oh Instagram? I'm not on that at all dear"* – S9. This also explains why some stores that did make an effort to transform digitally, saw little effect from those efforts and eventually failed to fully incorporate it in their business model. Their customer bases simply did not want to go digital and as such the digital aspect of their business could not grow to a point where it could be fully incorporated in their business model (S2, S8) This therefore seems to be a clear case where digital transformation is driven by customer demand, rather than company strategy (Ritter & Pedersen 2020, Ebert & Duarte 2018).

Another fear of or hurdle for managers was the prospect of internal competition for customers brought about by having another store front. The creation of an online storefront has been likened to opening a second store (S10, S4). In their eyes, the online store would compete for clients with the offline store which would affect their offline store negatively. On the contrary, B2, B8 or B11 that incorporated physical and online shopping into one experience that reaped great benefits for all.

Splitting the physical from the online stores might help streamline both shopping experiences but also offers less customization of the experience to the customer. It is thus understandable that some companies might choose to create a separate business model for online sales, as it allows them to customize and optimize both experiences independently, thus without having to compromise the day-to-day operation of their main business process. It is worth questioning however if the possibility of competition within the company, along with the lack of customization for the customer is worth these benefits in the long run.

The results of this study can be extremely helpful for managers who are willing to transform digitally, as it provides an overview of actions taken by previous managers. Moreover, the results can be insightful for higher level managers of big branch organizations, as our results indicate that branch managers who get little freedom often desire more freedom and branch managers who experienced more freedom came with creative effective ideas to get touch with their customer base. Some branch managers knew their customers well and could therefore tailor their transformation to them. Other branch managers had specific or different collections they wished to emphasize more online or a slightly different customers base they wanted to attract. Giving branch managers more freedom, while still providing guidance and ensuring cohesion of all branches, might be an action to consider for higher level managers.

Additionally, this research indicates specific circumstances in which digital transformation might not be beneficial. Avoidant managers described that their customer base sometimes did not want digital alternatives. These stores might not be able to benefit from digital transformation. In these situations, the costs required to transform digitally would have no returns and hurt the business, at least in the short term. Digital transformation requiring customer demand was already brought up by Ritter and Pedersen (2020). This study seems to affirm this mainly through instances of avoidant digital transformation where there was a lack of customers' desire to transform digitally. The discussion around risks and benefits of digital

transformation are often described in general terms (Kotarba, 2018; Ritter & Pedersen 2020). The contribution of specific contextual circumstances where digital transformation is likely not to be beneficial is of interest and could be studied further. Also, future research could study which circumstances might aid avoidant digital transformation in transforming digitally even though their customer base does not prefer digital alternatives to shopping.

A limitation of this study is that we cannot link the approaches to success or sales. We defined three approaches; however, we cannot give advice on which approach would work better or is more suitable. The later might be dependent on yet other unknown factors. Future research could, for example with the use of surveys, measure which actions managers took and how managers transformed digitally (e.g., training personnel) and measure total number of sales, increase or decrease in sales and other, potentially important, factors such as age of the business. Another limitation of our study is that we are dependent on the answers the participants gave us. In that sense, it may be that some managers employed certain actions or strategies but merely forgot to tell us. Most importantly, it is unlikely that the list of hurdles provided is exhaustive. Future research could solve this problem by incorporating more time for managers to provide feedback on the model or host panels such as with the Delphi method.

6. Conclusion

Overall, the results of this study give insight on the different actions and risks involved in the digital transformation of both large and small retailers. It highlights both the potential profits and hurdles involved in digitalizing for managers in these positions and offers a typology of working approaches that managers can employ depending on context. We identified three approach employed to transform digitally, namely early, hesitant and avoidant digital transformation. While there seem to be multiple benefits to transforming digitally, it is crucial for companies to consider their customer base and the potential for internal competition when transforming. Digital transformation exhibited according to most managers, regardless of the

approach taken, the hurdles that it does not allow assistance to costumers and has a lack of shopping sensation. Further scholarship on this topic would provide further insight in the smaller processes involved in implementation of larger business strategies and the precise contexts where businesses profit the most from digital transformation. Whether or not these potential gains will be realized remains to be seen.

7. Epilogue

Writing this thesis was very interesting and I learned a lot during the writing and research process. I am happy with and proud of the results and all that I learned during my masters.

Through the interviews, I was able to dissect three approaches that managers apply when digitally transforming. These results are interesting for all parties involved in digital transformation, but especially to those that coordinate and carry out these transformations or those researching it.

Coming from a different cultural and geographical background, adjusting to this academic level and process was difficult at times. In the beginning I was hesitant to ask questions because I did not want to ‘question the obvious.’ This actually slowed down the formulation of my research question. However, during my thesis and through the open and welcoming attitude of my supervisor I was able to overcome this and learn that a great deal of science is exactly about ‘questioning the obvious’. His instructions and feedback led to this thesis being of the quality that it is and I could not imagine having done this without Dr. C. Lee. Additionally, working with the Gioia method taught me to be open to new insights during the process and this method brought me a lot of interesting new findings during my research.

To conclude, I really loved working on this thesis and I loved deepening my understanding of fashion and business through my research.

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Appendixes

Appendix 1. Interview Guide

Sectie A: Introductie

-Voorstellen

-Doel onderzoek

-Resultaten worden gebruikt voor een afstudeerscriptie aan Erasmus Universiteit, Rotterdam.

-Alle resultaten zullen geanonimiseerd worden zodat er niets herleid kan worden naar u als persoon of uw organisatie

-Duur interview 40 min

-Verloop van het interview

-Heeft u vragen voordat we beginnen?

Sectie B: Achtergrondinformatie

Functie, leeftijd, aantal jaar ervaring, aantal personeelsleden, welke opleiding

Sectie C: Hoofdvragen

Thema 1: Stappen tot nu toe genomen in digitaliseren

Topic 1: Plots of voorbereid	1. Hoe kwam de verschuiving van fysiek winkelen naar meer online winkelen voor jullie aan?	Probing d.w.z. invullen van antwoorden om respondent op weg te helpen mocht dat nodig zijn) op: plots, waren ze er al mee bezig, hadden ze een plan of werden ze geforceerd
Topic 2: Het belang van digitalisering	2. Hoe belangrijk is digitalisering voor jullie bedrijf n.a.v. de Covid-19 pandemie? a. En waarom?	Probing Veranderingen?
Topic 3: Digitalisering-stappen	3. Welke stappen heeft u vanaf het begin van de pandemie tot nu toe gezet om de digitale transformatie op gang te brengen of te versnellen? 4. Neem mij mee in een week / maand waarin je belangrijke stappen hebt gezet richting digitalisering. Wat is daarbij essentieel geweest? 5. Wat zijn volgens u de belangrijkste operationele stappen in dit veranderingsproces?	Probing Veranderingen?

Thema 2: Management van digitaliseren

Topic 1: Werkwijze management	<ol style="list-style-type: none"> 1. Wat kenmerkt de wijze waarop de veranderingen om te digitaliseren is doorgevoerd? 2. Hoe heeft u bepaald in welke richting uw afdeling/organisatie moest veranderen? 3. Welke rol heeft u gespeeld in de veranderingen in uw afdeling/organisatie? 	<p>Probing</p> <p>Veranderingen?</p>
Topic 2: Betrokkenheid personeel	<ol style="list-style-type: none"> 4. Hoe heeft u personeel of andere managers bij deze verandering betrokken? 	<p>Probing</p> <p>Veranderingen?</p>
Topic 3: Managementstijl	<ol style="list-style-type: none"> 5. Hoe zou u uw managementstijl beschrijven? 	<p>Probing</p> <p>Veranderingen?</p>
Topic 4: Segmenten van verandering	<p>Klanten</p> <ol style="list-style-type: none"> 6. Heeft u het idee dat uw klanten segment verandert is? 7. Hoe probeert u zich nu te onderscheiden van andere winkels? 8. Gebruikt u wel eens youtubers, influencers en bloggers? <p>Klantrelaties</p> <ol style="list-style-type: none"> 9. Hoe probeert u een klant relatie te ontwikkelen tijdens COVID-19? 10. Heeft u gewerkt aan de digitale identiteit van het bedrijf? Bijvoorbeeld door social media of doordat mensen reviews achter kunnen laten. 11. Hoe is deze gevormd? Is deze recentelijk nog veranderd? <p>Kanalen</p> <ol style="list-style-type: none"> 12. Via welke kanalen communiceert u nu met klanten? Is dit verandert vergeleken met voor COVID-19? <p>Partnerships</p> <ol style="list-style-type: none"> 13. Bent u nieuwe partnerschappen aan gegaan? <p>Activiteiten</p> <ol style="list-style-type: none"> 14. Hoe bent u uw tijd als managers anders gaan besteden tijdens COVID-19? 15. Doet u ook aan social media management? 	<p>Probing: nieuwe klanten, andere klanten</p> <p>Probing: Online delen van content, nieuwe vormen van adverteren</p> <p>I.p.v vragen naar specifiek acties ivm opties (influencers social media) vraag naar of en hoe ze new/social media gebruiken: Hoe gebruikt u nieuwe technische mogelijkheden (zoals influencers of social media) in uw business model?</p> <p>Probing: social media, telefonisch, fysiek.</p> <p>Probing: verkoop op platformen, samenwerken met andere winkels</p> <p>Probing: contact met klanten, met personeel, manier van contact</p>

Thema 3: Obstakels in digitaliseren

Topic 1: Obstakels voor managers	<ol style="list-style-type: none"> 1. Wat gebeurde er in het bedrijf toen u deze wijzigingen aanbracht? 2. Leende de bedrijfsstructuur zich voor digitalisering? Zo nee, wat moest er aangepast veranderd worden? 3. Hoe heeft uw bedrijfsstrategie ten opzichte van digitalisering uw filiaal beïnvloedt Bijvoorbeeld: heeft het uw verkoopcijfers beïnvloedt? Moet uw filiaal nu concurreren met de webwinkel? (als het gaat om niet gesloten te worden) 3. Waren hier voor u de obstakels? 4. Hoe bent u met deze obstakels omgegaan? 5. Heeft u bepaalde angsten gehad tijdens de digitalisering? 6. Beïnvloedden deze angsten uw manier van managen? 7. Hoe beïnvloedden de angsten de acties die u heeft genomen? 	<p>Probing consumptie van cash, angst voor ROI, angst voor weggaan van fysiek contact</p> <p>Veranderingen?</p>
Topic 2: Obstakels voor personeel	<ol style="list-style-type: none"> 8. Hoe reageerden andere managers en medewerkers binnen uw bedrijf op de veranderingen? a. Zijn er verschillen in functie/ opleidingsniveau/ hiërarchie/ leeftijd? 	<p>Probing</p> <p>Veranderingen?</p>
Topic 3: Verbeterpunten	<ol style="list-style-type: none"> 9. Als u terugkijkt op het digitaliseringsproces, wat zou u achteraf gezien anders hebben gedaan? 	<p>Probing</p> <p>Veranderingen?</p>

Sectie D: Afsluiting

Dit is einde van het interview. U heeft heel erg geholpen met mijn onderzoek en in afstudeerproject. Zou u op de hoogte willen houden van resultaat van het onderzoek? Dan kunnen we delen wanneer ons onderzoek klaar is. Ik wil u nogmaals voor uw tijd en uw inzet bedanken.

Dit is het einde van het interview.

Bedankt deelnemer.

Appendix 2. Table A. Approaches taken by managers to transform digitally

		Early digitalization				Hesitant digitalization			Avoidant digitalization	
		Prepared/easy transition	Online offline integration	Online marketing (events/influencers/proper website/social media)	Social Media	New Partnerships	New systems and infrastructure	Improving website	Marketing & selling without online capabilities	Temporary or no use of online platforms
	Store									
Early digitalization	B9	✓	✓	X	✓	✓	X	✓	X	X
	B11	✓	✓	X	✓	✓	X	X	X	X
	B8	✓	✓	✓	✓	✓	X	✓	X	X
	B5	✓	✓	X	✓	✓	X	X	X	X
	B2	✓	✓	X	✓	✓	✓	✓	X	X
	B6	X	✓	✓	✓	✓	X	✓	X	X
	B7	?	✓	✓	✓	✓	✓	✓	X	X
	B10	✓	✓	X	✓	✓	X	X	X	X
	S3	✓	X	✓	✓	✓	X	X	X	X
	S10	✓	X	✓	✓	✓	X	X	X	X

Hesitant digitalization	B3	X	X	✓	✓	✓	✓	✓	X	X
	S6	X	X	X	✓	X	X	✓		
	S7	X	X	X	✓	X	X	✓		
	S8	X	X	X	✓	X	X	✓	X	X
	S5	X	X	X	✓	✓	X	X	X	+/-
Avoidant digitalization	S2	X	X	X	✓	X	X	X	✓	✓
	B4	X	X	X	X	X	X	X	✓	✓
	S9	X	X	X	✓	X	X	X	✓	✓
	S4	X	X	X	X	X	X	X	X	X
	B1	X	X	X	✓	X	X	✓	✓	✓
Other	S11	✓	X	X	✓	✓	X	✓	X	X
	S1	X	X	X	✓	✓	X	X	✓	X

Appendix 3. Table B. Approaches of actions to digitalization taken by managers

Table B. *Approaches of actions to digitalization taken by managers*

Action Approach	Improving website	Creating online appointments	New systems	Online/telephone assistance	Online/offline cooperation	Making use of partnerships	Social Media	Online events	Extra Sales	Shopping window	Return policy	In-store web purchase
B1	✓	✓					✓					
B9	✓				✓	✓	✓			✓		
B11				✓	✓	✓	✓					
B8	✓				✓	✓	✓	✓			✓	
B3	✓	✓	✓			✓	✓	✓				✓
B5					✓	✓	✓		X ¹		✓	
B2	✓	✓	✓		✓	✓	✓					✓
S1		✓		✓		✓	✓		X	✓		
S2							✓			✓		
B4		✓		✓					✓	✓		
B6	✓				✓	✓	✓					
B10					✓	✓	✓					
B7	✓		✓		✓	✓	✓	✓				✓
S3						✓	✓					
S4												
S6	✓						✓					

S7	✓	✓		✓		
S8	✓			✓		
S9		✓		✓		✓
S10				✓	✓	✓
S11	✓			✓	✓	✓
S5				✓	✓	✓

¹X means that these stores were explicitly against giving extra sales/discounts



Appendix 4. Table C. Approaches of how managers implemented digitalization

Table C. Approaches of how managers implemented digitalization

Action Approach	Training personnel	Hiring new staff	Coaching/guiding personnel	Process improvement	Follow higher management	Empowering/involving personnel	Creating team spirit	Ask for feedback	Unique point
B1									
B9	✓		✓	✓		✓	✓		
B11			✓		✓		✓	✓	
B8	✓		✓	✓		✓	✓	✓	Day start
B3	✓		✓		✓		✓		
B5	✓				✓				
B2	✓	✓				✓			
S1						✓	✓		
S2		✓							
B4			✓	✓			✓	✓	
B6						X ¹		✓	
B10							✓	✓	
B7						X			



S3				✓			
S4							
S6					✓		✓
S7							
S8		✓	✓		✓		✓
S9							
S10					✓		✓
S11		✓			✓		
S5		✓					

¹Personnel, and the manager of the store, were not involved in the digitalization



Appendix 5. Table D. Hurdles managers experienced during digitalization

Table D. Hurdles managers experienced during digitalization

Action Approach	Not being able to assist	Lack of sensation	High costs	Time	The office main	Online only main sales	Resistance of personnel	Old systems	Quality	Unique feature
B1			✓				X			
B9	✓	✓			✓	✓	X ¹			
B11	✓	✓					✓			
B8	✓	✓			✓		✓		✓	
B3		✓			✓		✓	✓		
B5	✓	✓					✓			
B2					✓		X			Order during run way
S1				✓			X			
S2							²			
B4		✓			✓		X			
B6		✓		✓	✓		✓			
B10					✓		X			



B7	✓	✓		✓	X	✓	
S3					✓		Clothing producer
S4	✓	✓		✓	X ²		
S6		✓			X		Clothing producer
S7			✓		X ²		
S8	✓	✓			X ¹		
S9	✓	✓			X ²		
S10			✓		X ²		
S11			✓		X		
S5			✓	✓	X		

¹ X means that they explicitly mentioned that they did not experience this, ² did not have any personnel

Appendix 6. Gioia Model (Figure A)

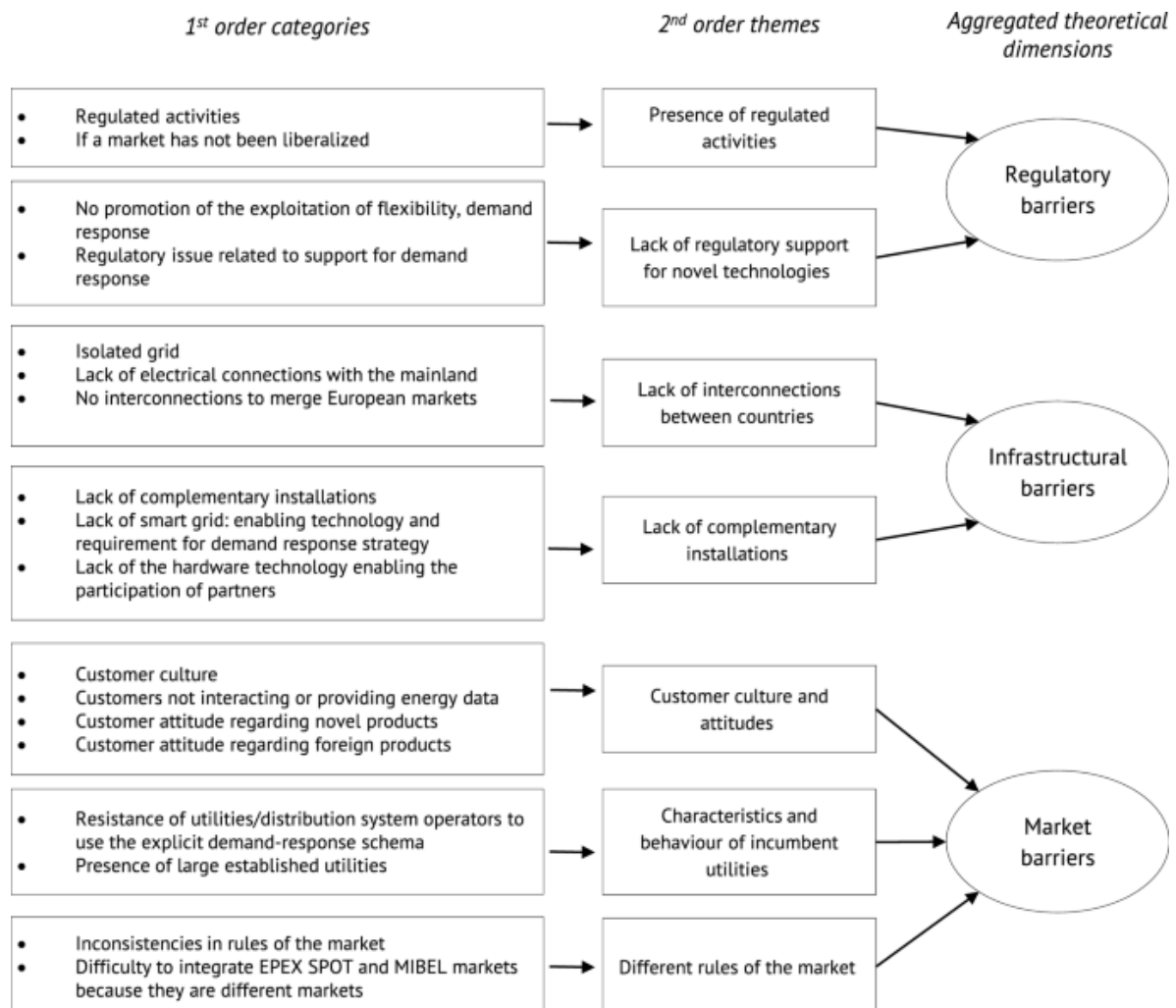


Figure A. Examples of the first order categories, second order themes and theoretical dimension as used in the Gioia method (Bohnsack et al., 2020)

Appendix 7. Figure B

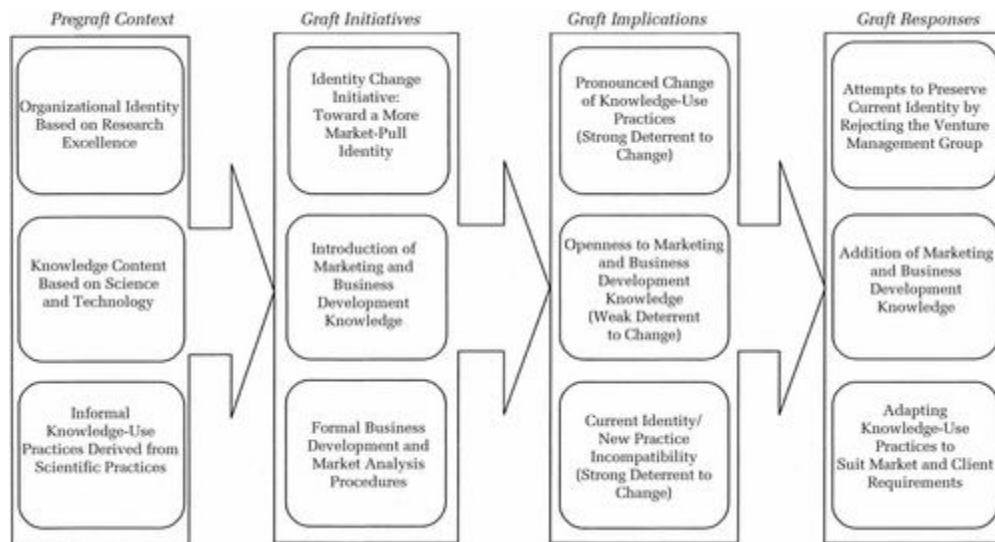


Figure B. Example of the graphics created using the Gioia method (Bohnsack et al., 2020)



Appendix 8. Interview Table of Contents

Interview	Datum	Interviewmethode	Functie	Geslacht	Leeftijd
B1	29-03-21	Semi-gestructureerd/Zoom	Departmentmanager	Man	40
S1	30-04-21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	43
S2	03-4-21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	60
B2	03-4-21	Semi-gestructureerd/Zoom	Filial Manager	Man	32
S3	07-04-21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	59
B3	09-04-21	Semi-gestructureerd /Fysiek	Assistant Store manager	Vrouw	38
S4	10-4-21	Semi-gestructureerd /Fysiek	Boutique Eigenaar/personeel	Vrouw	56
B4	10-4-21	Semi-gestructureerd /Fysiek	Filial Manager	Vrouw	56



B5	15-04- 21	Semi-gestructureerd /Fysiek	Filial Manager	Vrouw	41
S5	17-04- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	55
B6	17-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Vrouw	28
B7	17-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Vrouw	32
B8	20-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Man	31
B9	20-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Man	34
B10	20-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Man	29
B11	20-4- 21	Semi-gestructureerd /Fysiek	Filial Manager	Man	27
S6	26-04- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Man	49



S7	27-04- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	41
S8	30-4- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	61
S9	30-4- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	53
S10	30-4- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	37
S11	30-4- 21	Semi-gestructureerd /Fysiek	Boutique Eigenaar	Vrouw	66



Appendix 9. Toestemming Opname & Toestemming Deelnemers

Bedankt voor het meedoen aan het onderzoek. In dit onderzoek ga ik u een aantal vragen stellen over digitalisering in de mode-industrie. Indien u een van de vragen niet begrijpt mag u dit ten aller tijde aangeven. Indien u wilt stoppen met het interview bent u vrij om dit aan te geven en kan dit ten alle tijden van het interview. Het interview zal ongeveer 20 minuten in beslag nemen. Indien u op de hoogte wilt gehouden van de resultaten, dan kunt u aan het einde van het interview uw email adres achterlaten.

Ik zou het interview graag opnemen omdat ik geen antwoorden wil missen. Daarnaast moet de opname later worden uitgetypt als eis van mijn scriptie. Dit wordt allemaal geanonimiseerd, alle antwoorden worden vertrouwelijk behandeld en alleen binnen het onderzoeksteam gedeeld. In mijn scriptie t wordt u niet geïdentificeerd. Graag wil ik u toestemming vragen voor uw stemopname tijdens het interview.

Als u akkoord gaat met de bovenstaande informatie, wil ik u vragen om uw handtekening hieronder te zetten. Mijn handtekening zal ik zetten, zodat wij allebei hiermee akkoord gaan.

Datum:	Datum:
Handtekening:	Handtekening:
Deelnemer	Interviewer