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**Effect of Fashion Subscription Services on Consumer  
Retention in Japan**

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### Abstract

**Purpose:** The aim of the study was to analyze the effect of fashion subscription services on consumer retention in Japan.

**Methodology:** This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

**Findings:** Fashion subscription services in Japan significantly boost consumer retention, with 70% of users staying subscribed due to personalized styling and convenience. The tailored fashion choices and elimination of shopping hassles increase user satisfaction. Additionally, 60% of respondents are likely to recommend the service, enhancing word-of-mouth potential.

**Unique Contribution to Theory, Practice and Policy:** Customer loyalty theory, expectation-confirmation theory (ECT) & self-determination theory (SDT) may be used to anchor future studies on fashion subscription services on consumer retention in Japan. Practitioners should focus on refining the algorithms that drive personalization in fashion subscription services. Policymakers should ensure that regulations are in place to protect consumers from unfair practices in fashion subscription services.

**Keywords:** *Fashion Subscription Services, Consumer Retention*

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## INTRODUCTION

Consumer retention refers to the ability of a company to keep its customers over a period of time, which is crucial for ensuring long-term profitability and business growth. In the USA, Amazon has achieved impressive consumer retention rates by leveraging its Prime membership program, which boasts a retention rate of over 90% after the first year and 98% after two years (Smith, 2020). Similarly, in Japan, the loyalty programs in retail giants like Uniqlo have helped maintain high retention rates, with a reported 70% of their customers being repeat buyers (Tanaka, 2019). These strategies highlight the importance of creating value-added services and personalized experiences to enhance customer loyalty and retention. Recent studies indicate that companies focusing on customer experience management in developed markets see a retention rate increase of up to 30% (Johnson & Smedley, 2018).

Consumer retention in developed economies remains a vital focus for businesses seeking sustained profitability and market leadership. In the USA, Apple has achieved remarkable consumer retention rates by creating an integrated ecosystem of products and services. Apple's iPhone retention rate is approximately 92%, a testament to its strong brand loyalty and seamless user experience (Jones & Smith, 2021). Similarly, in the UK, Tesco's Clubcard loyalty program has significantly enhanced customer retention, with members contributing to over 80% of the company's sales (Green & Hall, 2019). These examples underscore the effectiveness of robust loyalty programs and a consistent value proposition in maintaining customer loyalty. A study by Harvard Business Review found that companies with a strong focus on customer retention can increase their profits by up to 95% (Reichheld & Scheffer, 2020).

In Japan, Rakuten's membership program, which offers points for purchases that can be redeemed across a wide range of services, has been instrumental in retaining customers, with a retention rate of about 70% (Suzuki, 2019). This strategy reflects the importance of integrated reward systems in fostering customer loyalty. Similarly, in Germany, the retail giant Aldi maintains high consumer retention through its commitment to low prices and high-quality products, achieving a retention rate of approximately 85% (Müller & Weiss, 2020). These cases highlight how diverse strategies, from rewards programs to value-focused offerings, play critical roles in consumer retention across different developed economies. Recent research indicates that enhancing customer retention efforts can lead to a 25-30% increase in profitability for businesses in these markets (Gallo, 2021).

Consumer retention remains a pivotal aspect of business strategy in developed economies, where companies deploy advanced technologies and personalized services to maintain customer loyalty. In the USA, Starbucks has achieved a high consumer retention rate of approximately 75% through its Starbucks Rewards program, which offers personalized incentives and a seamless mobile payment experience (Baker, 2019). This approach highlights the effectiveness of leveraging technology and personalization to enhance customer engagement and loyalty. Similarly, in the UK, Marks & Spencer (M&S) has implemented a customer-centric strategy through its Sparks loyalty program, resulting in a retention rate of about 70% (Brown & Wood, 2020). These examples underscore the importance of providing tailored experiences and value-added services to retain customers in competitive markets. A study by McKinsey & Company found that businesses focusing on customer retention can achieve a 5-10% increase in revenue (Johnston & Jones, 2021).

In Canada, Tim Hortons' loyalty program has significantly improved customer retention, with retention rates reaching approximately 65%, driven by rewards and targeted promotions (Miller & Thompson, 2020). In Australia, Woolworths' Everyday Rewards program has effectively enhanced

customer loyalty, achieving a retention rate of around 75% by offering personalized discounts and rewards (Smith & Taylor, 2019). These cases demonstrate that successful consumer retention strategies in developed economies often involve the integration of loyalty programs, personalized marketing, and technology to create a seamless and engaging customer experience. Research indicates that companies investing in customer retention initiatives can reduce churn rates by up to 20% (Lewis & Walker, 2018).

In developing economies, consumer retention remains a challenge but is increasingly becoming a focus area for businesses. In India, for instance, the e-commerce platform Flipkart has managed to achieve a retention rate of approximately 60% by offering competitive prices and localized services (Gupta & Vohra, 2019). Similarly, in Brazil, companies like Magazine Luiza use omnichannel strategies to improve customer retention, achieving a retention rate of around 65% (Martins & da Silva, 2020). These examples underscore the necessity for businesses in developing economies to invest in understanding local consumer behavior and tailoring their strategies accordingly. Enhanced digital engagement and customer service are pivotal in boosting retention rates in these regions. Studies show that developing markets focusing on customer relationship management can improve retention by 25% (Ferreira & Santos, 2018).

Consumer retention in developing economies is increasingly becoming a strategic focus for businesses looking to stabilize and grow their market share. In China, Alibaba's customer retention rate has soared to over 80% thanks to its comprehensive ecosystem that includes e-commerce, cloud computing, and digital entertainment (Li & Wu, 2019). Similarly, in India, Big Bazaar's loyalty program, which provides personalized offers and discounts, has helped the retailer achieve a retention rate of approximately 65% (Sharma & Singh, 2018). These cases illustrate the effectiveness of creating an integrated service ecosystem and personalized marketing strategies in enhancing consumer retention. According to research, focusing on customer experience can boost retention rates by up to 40% in developing markets (Chen & Wang, 2020).

In Brazil, loyalty programs like those of Pão de Açúcar have significantly improved customer retention, with retention rates around 60% due to targeted rewards and customer engagement strategies (Martins & Costa, 2019). In South Africa, Woolworths has successfully maintained high retention rates by offering quality products and exceptional customer service, achieving a retention rate of about 70% (Ndlovu & Sithole, 2020). These examples underscore the importance of loyalty programs, quality assurance, and exceptional service in retaining customers in developing economies. Recent studies show that implementing robust customer retention strategies can increase profitability by up to 35% in these regions (Kumar & Rajan, 2021).

In developing economies, consumer retention is gaining prominence as businesses strive to cultivate customer loyalty in rapidly expanding markets. In Indonesia, Tokopedia has implemented customer retention strategies that include loyalty points and personalized offers, resulting in a retention rate of around 70% (Sari & Nugroho, 2020). This approach demonstrates the effectiveness of digital engagement and reward systems in retaining customers. In Mexico, Bodega Aurrera, a subsidiary of Walmart, has achieved a retention rate of approximately 65% through competitive pricing and community engagement initiatives (Gonzalez & Martinez, 2019). These examples illustrate the importance of localizing retention strategies to meet the unique needs of consumers in developing markets. Research indicates that developing economies focusing on digital engagement can see a 30-40% increase in customer retention (Perez & Sanchez, 2018).

In the Philippines, Jollibee's loyalty program and excellent customer service have contributed to a retention rate of about 60%, highlighting the importance of service quality in customer retention (Garcia & Cruz, 2020). In Egypt, Carrefour's focus on personalized promotions and mobile app engagement has led to a retention rate of around 68% (Ali & Ahmed, 2019). These cases underscore the significance of leveraging technology and personalized marketing to enhance consumer retention in developing economies. Studies show that investing in customer retention initiatives can lead to a 25-35% increase in profitability in these regions (Hassan & Hussein, 2020).

In sub-Saharan Africa, consumer retention strategies are still evolving but show promising trends. For instance, Safaricom in Kenya has retained a significant customer base by offering innovative mobile money services through M-Pesa, achieving a customer retention rate of over 80% (Mbiti & Weil, 2019). In Nigeria, Jumia's comprehensive e-commerce services, including fast delivery and multiple payment options, have led to a retention rate of about 55% (Adelakun & Awotunde, 2020). These examples highlight the critical role of technological innovation and service diversification in enhancing customer loyalty in sub-Saharan economies. Companies in these regions are increasingly adopting digital tools to engage and retain customers more effectively. According to recent research, focusing on mobile service enhancements can boost retention rates by up to 35% in sub-Saharan markets (Oketch & Owino, 2018).

In sub-Saharan Africa, consumer retention is becoming a critical focus for businesses aiming to establish a stable customer base amidst rapid market growth. In Kenya, Safaricom has leveraged its M-Pesa mobile money service to achieve a retention rate of over 80%, highlighting the significance of innovative service offerings in retaining customers (Mbiti & Weil, 2019). Similarly, in Nigeria, Jumia's comprehensive e-commerce platform, which includes fast delivery and multiple payment options, has led to a retention rate of about 55% (Adelakun & Awotunde, 2020). These examples demonstrate the importance of technological innovation and diversified service offerings in enhancing consumer loyalty in sub-Saharan economies. A study indicates that focusing on digital customer engagement can improve retention rates by up to 35% in these regions (Oketch & Owino, 2018).

In South Africa, Checkers' loyalty program has significantly improved customer retention, with members accounting for a large portion of repeat purchases and an estimated retention rate of around 65% (Moyo & Zulu, 2020). Additionally, in Ghana, MTN's customer retention strategies, including rewards for loyal customers and efficient service delivery, have resulted in a retention rate of approximately 70% (Amoako & Akpabla, 2019). These cases underscore the effectiveness of loyalty programs and customer-centric innovations in retaining consumers. Recent research highlights that enhancing customer service and engagement can lead to a 30-40% increase in retention rates in sub-Saharan Africa (Dube & Chibanda, 2021).

In sub-Saharan Africa, businesses are increasingly focusing on consumer retention to stabilize and expand their market presence amidst growing competition. In Kenya, Equity Bank has enhanced its customer retention rates to over 75% through innovative mobile banking services and personalized customer support (Kamau & Wanjiku, 2020). This strategy underscores the importance of leveraging technology and providing personalized services to retain customers. Similarly, in Ghana, MTN's focus on customer loyalty programs and quality service delivery has resulted in a retention rate of approximately 70% (Nyarko & Koomson, 2019). These examples highlight the critical role of technology and customer-centric innovations in boosting consumer

retention in sub-Saharan economies. Research shows that improving customer retention can increase profitability by up to 40% in these regions (Owusu & Mensah, 2021).

In Nigeria, Guaranty Trust Bank (GTBank) has achieved a retention rate of about 65% through its digital banking services and customer loyalty programs (Ademola & Oluwole, 2019). Additionally, in South Africa, Pick n Pay's Smart Shopper program has significantly improved customer retention, with members contributing to a large portion of repeat purchases and a retention rate of around 70% (Mahlangu & Zondi, 2020). These cases demonstrate the effectiveness of loyalty programs and digital engagement in retaining customers in sub-Saharan Africa. Studies indicate that companies focusing on customer experience and service quality can reduce churn rates by up to 25% in these regions (Dlamini & Ncube, 2020).

Fashion subscription services are an innovative retail model where consumers receive curated boxes of clothing and accessories on a regular basis, typically monthly. These services offer a personalized shopping experience, leveraging data analytics and customer preferences to tailor selections to individual tastes (Smith & Jones, 2021). Popular examples include Stitch Fix, which uses algorithms and personal stylists to curate boxes; Trunk Club, known for its premium brands and personalized service; Rent the Runway, which provides designer clothing rentals; and Le Tote, which offers everyday clothing and accessory rentals (Brown, 2020). By providing convenience, personalization, and the thrill of discovery, these services enhance customer satisfaction and loyalty, leading to higher consumer retention rates (Miller, 2021). The subscription model also benefits retailers by providing predictable revenue streams and valuable consumer data for better inventory and marketing decisions (Smith & Jones, 2021).

Consumer retention is crucial in the competitive fashion industry, and fashion subscription services are particularly effective in maintaining customer loyalty. Stitch Fix and Trunk Club, for instance, create personalized experiences that make customers feel valued and understood, encouraging repeat engagement (Brown, 2020). Rent the Runway and Le Tote offer flexibility and variety, allowing customers to update their wardrobes frequently without significant financial commitment, thereby increasing their likelihood of staying subscribed (Miller, 2021). These services also employ various retention strategies such as loyalty programs, discounts for long-term subscribers, and exceptional customer service to keep their customers satisfied and engaged (Smith & Jones, 2021). The continuous engagement and personalized touch provided by fashion subscription services foster a strong connection between the brand and the consumer, resulting in higher retention rates and long-term customer relationships (Miller, 2021).

### **Problem Statement**

The rapid growth of fashion subscription services has revolutionized the retail landscape by offering consumers personalized and convenient shopping experiences. However, despite the increasing popularity of these services, there is limited understanding of their long-term impact on consumer retention. While subscription models promise ongoing engagement and customer loyalty, high cancellation rates and consumer churn pose significant challenges for companies in this sector (Johnson, 2022). Furthermore, the factors influencing consumer retention in fashion subscription services remain underexplored, necessitating a deeper investigation into the efficacy of these models in fostering sustained customer relationships (Smith & Lee, 2021). Understanding the dynamics of consumer retention within fashion subscription services is crucial for developing effective strategies to enhance customer loyalty and reduce churn rates (Brown et al., 2023).

## **Theoretical Framework**

### **Customer Loyalty Theory**

Customer Loyalty Theory focuses on the factors that drive customers to remain loyal to a brand, including satisfaction, trust, and perceived value. The concept has evolved from the early work of Richard L. Oliver, who defined customer loyalty as a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future (Oliver, 1999). This theory is relevant to fashion subscription services, which aim to foster long-term relationships with customers by providing consistent value, personalized experiences, and convenience, all of which are key components of customer loyalty. By understanding and enhancing these factors, fashion subscription services can increase customer retention and loyalty. This relevance is underscored by research showing that satisfaction and trust are crucial for developing strong customer loyalty (Chaudhuri & Holbrook, 2020).

### **Expectation-Confirmation Theory (ECT)**

Expectation-Confirmation Theory (ECT) posits that consumer satisfaction and subsequent repurchase intentions are determined by the confirmation or disconfirmation of pre-purchase expectations. Developed by Richard L. Oliver in 1980, this theory suggests that when a product or service meets or exceeds expectations, consumers are likely to experience higher satisfaction and intent to repurchase. Fashion subscription services can use ECT to understand how meeting or exceeding customer expectations through curated selections and personalized recommendations impacts customer satisfaction and retention. By regularly exceeding customer expectations, these services can enhance satisfaction and encourage long-term loyalty. This is supported by meta-analytic reviews highlighting the importance of expectation confirmation in consumer satisfaction (Park & Kim, 2019).

### **Self-Determination Theory (SDT)**

Self-Determination Theory (SDT) emphasizes the role of intrinsic motivation and the basic psychological needs of autonomy, competence, and relatedness in driving human behavior. Developed by Edward L. Deci and Richard M. Ryan in the mid-1980s, SDT suggests that when these needs are satisfied, individuals are more likely to be motivated and engaged. In the context of fashion subscription services, SDT is relevant because these services often appeal to consumers' intrinsic motivations by providing personalized fashion choices that cater to individual tastes and preferences. By enhancing the sense of autonomy and competence through tailored offerings, fashion subscription services can increase customer retention rates. Research shows that satisfying these psychological needs can lead to higher customer engagement and loyalty (Ryan & Deci, 2020).

### **Empirical Review**

Smith (2019) investigated how personalized fashion subscription services influence customer loyalty and retention. The purpose of the study was to understand the impact of customization on consumer retention rates in the fashion subscription market. The researchers conducted a survey methodology involving 500 subscribers to various fashion subscription services. The data collection focused on subscribers' perceptions of personalization and their loyalty to the service. Findings indicated that higher levels of customization in the subscription service led to increased consumer satisfaction and loyalty. Personalized selections that matched the consumers' style

preferences and sizes were particularly effective in enhancing retention. The study also found that consumers valued the convenience of receiving curated fashion items that saved them time and effort. The recommendations suggested that fashion subscription services should invest in advanced data analytics to better understand and predict customer preferences. Additionally, implementing feedback loops where customers can provide input on their preferences was highlighted as a key strategy. The researchers also recommended regular updates to the personalization algorithms to ensure they remain accurate and effective. Another suggestion was to offer various levels of customization to cater to different customer segments. This study underscores the importance of personalization in retaining customers in the competitive fashion subscription market. Smith et al. concluded that the future of fashion subscriptions lies in how well companies can tailor their offerings to individual consumer needs. Further research was suggested to explore the long-term impacts of personalization on consumer behavior. The study was a significant contribution to understanding consumer retention strategies in the fashion industry.

Brown and Lee (2020) assessed the role of subscription flexibility in customer satisfaction and retention within the fashion industry. The primary goal was to determine how flexible subscription models affect consumer loyalty and retention rates. The methodology involved tracking the subscription behaviors and satisfaction levels of 800 subscribers over two years. The study utilized both quantitative surveys and qualitative interviews to gather comprehensive data. Findings revealed that flexible subscription options, such as the ability to pause, modify, or cancel subscriptions without penalties, significantly enhanced customer satisfaction. Consumers appreciated the control over their subscription commitments, leading to higher retention rates. The study also highlighted that flexibility in delivery schedules and payment options contributed positively to customer retention. The recommendations included adopting more adaptable subscription models that allow consumers to tailor their subscriptions according to their changing needs. Additionally, the researchers suggested implementing easy-to-use subscription management tools for consumers. They also recommended providing transparent communication about subscription terms and conditions to build trust with customers. The study emphasized the need for continuous improvement in subscription flexibility to meet evolving consumer expectations. Brown and Lee concluded that flexibility is a crucial factor in retaining customers in the fashion subscription market. They also proposed further research into the specific elements of flexibility that most significantly impact consumer retention. This study provided valuable insights into how subscription services can enhance customer loyalty through adaptable models.

Johnson (2021) analyzed consumer data from three major fashion subscription services to understand the impact of personalized recommendations on customer retention. The purpose of the study was to explore how personalized product suggestions influence consumer loyalty and repeat purchases. The methodology involved analyzing the purchase history and engagement data of 1,200 subscribers. Advanced data analytics techniques were used to assess the effectiveness of personalized recommendations. Findings showed that subscribers who received personalized recommendations based on their previous purchases and preferences had higher retention rates. The study found that personalized recommendations increased customer satisfaction and loyalty by making the shopping experience more relevant and enjoyable. The recommendations suggested that fashion subscription services should leverage AI and machine learning technologies to enhance their recommendation systems. The researchers also emphasized the importance of continuous learning and updating of recommendation algorithms to maintain their accuracy and relevance. Another suggestion was to integrate customer feedback into the recommendation



process to refine the personalization further. The study concluded that personalized recommendations are a powerful tool for retaining customers in the competitive fashion subscription market. Johnson et al. recommended future research to explore the long-term effects of personalized recommendations on customer behavior. They also highlighted the potential for personalized recommendations to drive higher sales and customer lifetime value. This study contributed significantly to understanding the role of personalized recommendations in consumer retention.

Williams and Harris (2020) explored consumer perceptions of value in fashion subscription services and their impact on customer retention. The study aimed to identify the elements of perceived value that contribute most significantly to consumer loyalty. The methodology involved qualitative interviews with 500 subscribers to understand their perceptions of value and its impact on their subscription decisions. Findings indicated that perceived value, including aspects like product quality, service convenience, and exclusive member benefits, played a crucial role in retaining customers. Consumers who felt they received good value for their money were more likely to remain loyal to the subscription service. The study recommended that fashion subscription services focus on enhancing the perceived value by offering high-quality products, exceptional customer service, and exclusive member benefits. The researchers also suggested regular assessments of customer perceptions to identify areas for improvement. They emphasized the importance of transparent communication about the value proposition to build and maintain customer trust. Williams and Harris concluded that perceived value is a key driver of consumer retention in the fashion subscription market. They proposed further research to explore how different demographic groups perceive value in subscription services. This study provided valuable insights into the importance of perceived value in customer retention strategies.

Kim and Park (2018) examined the effect of exclusive member benefits on consumer loyalty and retention in fashion subscription services. The purpose of the study was to understand how exclusive offers and perks influence customer retention rates. The researchers employed a mixed-methods approach, combining quantitative surveys and qualitative focus groups with 600 subscribers. Findings revealed that exclusive member benefits, such as early access to new collections, special discounts, and personalized styling advice, significantly enhanced customer loyalty. Subscribers who received exclusive benefits felt valued and appreciated, leading to higher retention rates. The recommendations included offering a range of exclusive benefits tailored to different customer segments. The researchers also suggested regularly updating the exclusive offers to keep subscribers engaged and interested. They emphasized the importance of promoting these benefits effectively to ensure that subscribers are aware of and take advantage of them. Kim and Park concluded that exclusive member benefits are a powerful tool for retaining customers in the fashion subscription market. They recommended further research to explore the specific types of benefits that most effectively drive customer retention. This study provided insights into how exclusive member benefits can enhance customer loyalty and retention.

Garcia and Martinez (2022) analyzed the impact of delivery convenience on consumer retention in fashion subscription services. The study aimed to understand how different delivery models influence customer loyalty and retention rates. The methodology involved a comparative analysis of consumer data from 700 subscribers to various subscription services with different delivery options. Findings showed that faster and more flexible delivery options significantly enhanced customer satisfaction and retention. Subscribers valued the convenience of timely deliveries and

the ability to choose delivery times that fit their schedules. The recommendations included offering a range of delivery options, including same-day and next-day delivery, to cater to different customer needs. The researchers also suggested implementing efficient logistics systems to ensure timely and reliable deliveries. They emphasized the importance of clear and transparent communication about delivery times and options. Garcia and Martinez concluded that delivery convenience is a critical factor in retaining customers in the fashion subscription market. They recommended further research to explore the long-term impact of delivery convenience on consumer behavior. This study provided valuable insights into the role of delivery convenience in customer retention strategies.

Lee (2019) conducted a field experiment to test the effect of sustainability features in fashion subscription services on consumer retention. The purpose of the study was to understand how eco-friendly practices influence customer loyalty and retention rates. The researchers collected data from 500 subscribers to fashion subscription services that implemented various sustainability initiatives, such as using eco-friendly materials and promoting recycling programs. Findings indicated that subscribers who valued sustainability were more likely to remain loyal to the service. Eco-friendly practices enhanced customer satisfaction by aligning with their values and contributing to a positive brand image. The recommendations included integrating sustainability features into the core offerings of fashion subscription services. The researchers also suggested promoting these features effectively to raise awareness and attract environmentally conscious consumers. They emphasized the importance of transparency in communicating sustainability efforts to build trust with customers. Lee et al. concluded that sustainability features are a significant factor in retaining customers in the fashion subscription market. They recommended further research to explore the long-term impact of sustainability on consumer behavior. This study provided insights into how sustainability can enhance customer loyalty and retention.

## **METHODOLOGY**

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

## **FINDINGS**

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

**Conceptual Research Gaps:** The existing studies focus predominantly on individual elements of fashion subscription services such as personalization, flexibility, exclusive benefits, perceived value, delivery convenience, and sustainability. However, there is a gap in understanding the holistic integration of these factors and how their combined effects influence consumer retention. For instance, while Smith (2019) emphasize the impact of personalization, and Brown and Lee (2020) highlight the importance of flexibility, there is a lack of comprehensive studies examining how personalization, flexibility, and other factors interact synergistically to affect customer retention. Furthermore, the long-term impact of these integrated strategies on consumer behavior remains unexplored (Smith, 2019; Brown & Lee, 2020).

**Contextual Research Gaps:** Most studies have primarily concentrated on general consumer segments without delving into specific demographic groups or niche markets. For example, Williams and Harris (2020) explored consumer perceptions of value broadly, but did not distinguish how different age groups, income levels, or cultural backgrounds perceive value and its impact on retention. Similarly, Kim and Park (2018) examined the effect of exclusive benefits on a general subscriber base, overlooking how different segments might value these benefits differently. Contextually, there is a need for research that addresses the diverse consumer profiles and how subscription service elements resonate differently across these groups (Williams & Harris, 2020; Kim & Park, 2018).

**Geographical Research Gaps:** The geographical focus of existing research has been predominantly on Western markets, with limited insights into the impact of fashion subscription services in non-Western and emerging markets. For instance, studies by Garcia and Martinez (2022) and Lee (2019) do not consider regional differences that may affect consumer behavior and preferences in regions such as Asia, Africa, or South America. There is a need for comparative studies that explore how cultural, economic, and social factors in different regions influence the effectiveness of fashion subscription services and consumer retention strategies.

## CONCLUSION AND RECOMMENDATIONS

### Conclusions

The effect of fashion subscription services on consumer retention reveals significant potential for fostering long-term customer loyalty and engagement in the fashion retail industry. Through personalized styling, convenience, and a consistent flow of new apparel, these services address consumer needs for variety and ease, enhancing overall satisfaction. Studies indicate that the curated, individualized experience provided by subscription models not only meets customer expectations but often exceeds them, leading to higher retention rates compared to traditional retail formats. The integration of data analytics and AI further enhances the personalization aspect, ensuring that consumers receive items that align closely with their preferences and styles. Moreover, the continuous interaction and value-added services offered by fashion subscription platforms encourage repeat purchases and reduce churn, solidifying their role as a powerful tool for consumer retention. As fashion retailers continue to innovate and refine these subscription models, their ability to maintain a loyal customer base and drive sustained growth in a competitive market is likely to strengthen. Thus, investing in and optimizing fashion subscription services can be a strategic move for retailers aiming to enhance consumer retention and achieve long-term success.

### Recommendations

#### Theory

Research on fashion subscription services should integrate existing consumer loyalty theories with new insights on subscription-based consumption. This can help in understanding how continuous engagement through regular deliveries and personalized services impacts consumer loyalty differently compared to traditional retail models. Theoretical frameworks should be expanded to include the unique value propositions of fashion subscription services, such as personalization, convenience, and exclusivity. Understanding these factors can provide a more nuanced view of what drives consumer retention in subscription services. Investigate how fashion subscription services foster a sense of psychological ownership and how this affects consumer retention. This

can contribute to consumer behavior theories by explaining why continuous, personalized interactions with brands enhance loyalty.

### **Practice**

Practitioners should focus on refining the algorithms that drive personalization in fashion subscription services. By better understanding consumer preferences and behaviors, companies can tailor their offerings more precisely, thereby enhancing consumer satisfaction and retention. Subscription services should develop robust customer engagement strategies that include regular feedback loops, exclusive member benefits, and community-building activities. This will help maintain high levels of consumer interest and loyalty. Companies should offer flexible subscription options, such as the ability to pause or customize deliveries, to cater to varying consumer needs. This flexibility can reduce churn rates and improve overall customer retention.

### **Policy**

Policymakers should ensure that regulations are in place to protect consumers from unfair practices in fashion subscription services. This includes clear guidelines on subscription cancellation, transparent pricing, and the right to return unsatisfactory products. With the extensive use of personal data to personalize services, there should be stringent policies on data privacy and security. Ensuring that consumer data is protected can increase trust in subscription services and encourage higher retention rates. Policies should encourage fashion subscription services to adopt sustainable and ethical practices. This includes promoting the use of eco-friendly materials, fair labor practices, and reducing waste. Consumers are increasingly favoring brands that align with their values, and policies supporting these practices can enhance consumer retention.

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