

O4O(Online For Offline) Service Design -- Clothing Store

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I. Overview of Design

1) source of design idea

When buying clothes at the physical store, it is too troublesome for us to try on various clothes, especially in winter. But on the other hand, I often cannot get perfect clothes that are suitable for me from online shopping. Based on these problems, this project aims at not only allowing us to enjoy the pleasant experience of buying clothes, but also providing comfortable clothes.

2) design introduction

A totally autonomous clothing store for young ladies, providing off the already well established Taobao brand image within the Chinese market. It is a physical clothing store without any staff, using developed technology and providing customers self-services.

II. Technology

1) CRM system

Customer relationship management (CRM) is a method of managing a company's interactions with existing and potential customers. It USES customer and company historical data analysis to improve business relationships with customers, with particular focus on customer retention and ultimately driving sales growth. CRM systems collect data from a range of different communication channels, including the company's website, phone, email, live chat, marketing materials, and most recently, social media. Through the CRM approach and systems used to promote it, organizations can learn more about their target audience and how best to meet their needs.

It helps us:

- Centralize customer information
- Automate marketing interactions
- Provide business intelligence
- Facilitate communications
- Track sales opportunities
- Analyze data
- Enable responsive customer service

2) RFID

RFID is used for the commodity level tags in our stores. In addition to identifying clothing, it also offers protection against customer theft (shoplifting) and self-checkout. Different types of tags can be removed physically with a special tool or deactivated electronically after payment. When leaving the store, customers must pass near the RFID detector.

3) Virtual Fitting Mirror

When shoppers stand in front of the virtual fitting mirror, the device automatically displays the three-dimensional image after the new dress. Customers also can simply touch the "fitting mirror" in the virtual mirror to change clothes.

4) 3D body mapping

Precise measurement of customer's body with a 3D body map. It is a easy way to find customer's perfect fit and even track their health. And these information will be saved in our database. The sensors use safe, non-invasive infrared technology—similar to what's inside the TV remote. It is safe for everyone to use.

5) Other technologies

Payment function of app, intelligence design of computer and so on.

III. Introduction of Service Process, Which Is Divided Into Eight Parts

- (1) The first part is the user needs to download the App, and then user registration. At the same time, it will work with the shopping websites taobao to share consumer shopping data. With the approval of the user, the app will record the buying behavior of customers into the database, such as acceptable product prices, clothing styles and shopping habits, so that the system can know more about the customer, recommend more suitable clothes to them. what's more, the customer also needs to bind the payment account. Finally, an interactive discussion area will be set up in the app, so that customers can share the latest fashion information and clothing collocation in the app. In this way to achieve a social and leisure function and improve customer stickiness. Next, A customer's figure will be scanned while entering the door, so that the system can collect the features of customers' body shape and their dressing styles. The information will be recorded in the database and the user's app personal information at the same time. The data of customers will be updated every time they enter the store, so that the system can use the latest data to analyze the size and dressing style of customers. It also lets customers know how the change of their figure.
- (2) Next, customers can go to the clothing section first to choose clothes, or go to The intelligent Fitting mirror directly to select clothes.
- (3) Every piece of clothing has a barcode so that Customers can take clothes to the intelligent Fitting mirror and scan the bar code. The machine will automatically search for the information of the clothes, identify the face and read the customer's data.
- (4) The intelligent Fitting mirror would show impression drawing of trying on. Besides, screen would show customer suitable size, the location of goods at the same time. So, it is easy for customers to find the goods. On the right side of the intelligent mirror, there are several functions that customer can choose. For example, ① "Scene Mode" if customer want to go to a party, but she/he have no idea about which kind of clothing she/he need to wear. In this situation, customer can click on bottom "Scene Mode". System will push some recommendation about clothing for you. ② "Provide customized service" if customers need to have unique clothing, they can click on bottom "Provide customized service". They can contact designer directly. In addition, on the intelligent fitting mirror, they are able to choose dress style, dress kind, accessories freely to form an image.
- (5) If some customers enjoy trying on clothing, they are able to try on the clothing in the fitting room.
- (6) When the customer makes sure they would like to buy the clothing, they can put them into their bag. After customer leave the shop, the app will push order information, and customer can pay.
- (7) After-sale service : If customers want to return goods, they can send it to warehouse. The warehouseman will check the goods whether match conditions of returning (first: the label is in good condition; second: the clothing are not washed; third: the clothing can be sold in the second time.

IV. Other Issues

1) Security and Emergency system

Safety system should be implemented in the store. Fire emergency system or security system will be checked regularly. When emergency situation happened, emergency system should inform the official automatically. For example, when the apparel store is in fire, fire emergency system will work. At the same time, the system will be working.

2) After sales system

All customers have the right to change, return their product in 7 days after sales. Products with quality problems will be recorded and, as compensation, the customer will receive a coupon for the purchase of the clothing.

3) Location Plan

In mainland China, the store will start in the pearl river delta and Yangtze river delta regions. Both districts have over 20 million population and are highly developed. From these two areas, the clothing store can have a larger market and technical support. In addition, a large number of Taobao vendors are situated in these two areas that are close to the offline stores, which can lower transport costs. On the other hand, the apparel store will be open in CBD. As a service organization, traffic volume and convenience should be put in the first place of important factors. Firstly, there is a great steam of people. The other is the well-developed transportation, which provides customers with a lot of convenience.

4) Life Cycle

The life cycle of apparel industry is very short. Therefore, the system need to estimate accurately the amount of apparel product. First, the system will combine app users' preferences for clothes styles according to consumer data , comments in interactive discussion area of the app and fashion trends to estimate the quantity of clothes purchased to Reduce inventory as far as possible. Second, because this is a new way of clothing retail, customer at first might be interested in this way, but the service design may exist many problems, so we should better understand customers' opinions and demands on service and products than our competitors, so as to improve our service faster and better.

V. SWOT Analysis

The SWOT analysis is a fairly useful managerial tool that helps firms and project manager understand the strengths and weaknesses of its current form as well as identifying the key opportunities that may be open to you and your firm as well as the threats that you may face. Given that the services provided by the store are a fairly new and disruptive one, SWOT analysis should be fully utilized in order to better execute the overall business plan. By uncovering opportunities that will be exploited and by understanding the weaknesses of the business, we will be able to better manage and eliminate threats that may arise.

1) Strength:

This organization is ground-breaking in the sense that no other business has a similar business model. The project is disruptive by bringing to the Chinese market what Amazon has already brought to the Seattle Area . And with a fully automated store, it not only provides a memorable experience for customers, but also reduces employee costs. Through the effective use of information systems technology, such as the RFID scanners and the in house CRM system, no compromise will be made on the quality of service provided to customers. As a result, it will be the only store to do so in China (offering a totally autonomous clothing store)and providing off the already well established Taobao brand image within the Chinese market. Given that Chinese consumers are tech savvy and not wary of disruptive technologies. By having the vast inventories of Taobao at our disposal we will also be able to answer any particular demand that may arise from a specific section of the market's tastes and preferences.

2) Weaknesses:

Although we know that the Chinese consumer is tech savvy, the fact of having a fully automated clothing store may see some problems arise in the immediate future. Although the client will have a fully established profile based on his previous Taobao clothing purchases, he might feel uneasy about his first experience in the store, given that it's the first of its kind in China. In order to minimize this weakness, we would need to take the launch of our store very carefully by trying to be as user-friendly as possible. This may include having a physical presence of employees who would be able to answer any questions/problems that may arise within the first few weeks of the store's opening. The idea is to make the consumer as comfortable as possible while as the same time emphasizing the uniqueness of the store, which may be tricky as the store opens.

3) Opportunities:

The opportunities that are presented to us stretch as far as the eye can see. Given that the store and brand builds on clothes this means that we are entrancingly linked to the "fashion cycle". The store feed off of changing trends and the biggest part of revenue will stem in the capability of recognizing these changing trends and being able to meet the changing demands of customers. It would be impossible for us to have in our physical stores "everything in stock" for that reason using "Big Data" algorithm the system would need to be able to precisely predict the changing trends depending on the seasons (winter vs summer), "what is hot and what is not" (the overall consumer perception of what is in style and what is not), as well as possibly in the future becoming "trend setters" ourselves by eventually having our very own clothing line. By doing so, we would not just be victims of the ongoing trends but become effective trend setters ourselves. Instead of having the effective capacity of spotting trends and delivering them to our clients, we would be able in the long run to create those said trends ourselves. By offering to clients an impeccable service, we put this opportunity within reach. With the progress of technology, our in house algorithm will become a good helper to meet the needs of customers. With China becoming a more educated and tech friendly country the business can only grow.

4) Threats:

The project faces a fine number of threats. First and foremost, being that the high usage of technology within the overall business plan is at the same time our biggest asset and liability. We may have no competitor immediately but given how stores such as Amazon go are sprouting around the world, we need to work on our brand cultivation in order to yield competitive advantage. Uncertainty may be the biggest threat given that we do not know how the consumer will react to the fully automated store, this uncertainty is capable of making the whole

store a potential “flop”. Therefore, all preparations should be made to deal with any type of concerns the customer may have. We also need to make sure there are no problems with either our CRM system, RFID technology or any of virtual mirrors. A problem with one of those area’s and our entire business model goes belly up.

VI. Competitiveness

Companies must be competitive to sell their goods and services in the marketplace. Competitiveness is an important factor in determining whether a company prospers, barely gets by, or fails. Utilizing online for offline, competitiveness of the store have four aspects:

(1) Identifying consumers wants and /or needs:

In the store, customers can experience the intelligent fitting mirror. Using the intelligent fitting mirror, customers are able to try on virtually, and choose different styles. In addition, when customers use the app, the app will record their data and preference. So, we can know more about what the customers really need.

(2) Price and quality:

There are no employees in the store, so it saves labor slavery and production costs. Stores also have high standards to control the quality of clothing. As we know, price is an important part for customers to make a decision when they buy.

(3) Location:

The project will choose a large mall to set up shop, because the target customers are young girls. Young girls prefer to go shopping when they are free. When they go to the mall ,they can have different, interesting and fresh feeling. A good location in mall can results in lower transportation costs, and convenient location is particularly important in the retail sector.

(4) Flexibility:

The store have the ability to respond to changes, because system of store can update inventory, the volume demanded by customers at any time. High flexibility can be a competitive advantage in changeable environment.

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