

amazon MADE • FOR YOU™

A futuristic way to find your best clothing fit

Amazon Made-For-You Group 2

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Introduction



Qty: 1

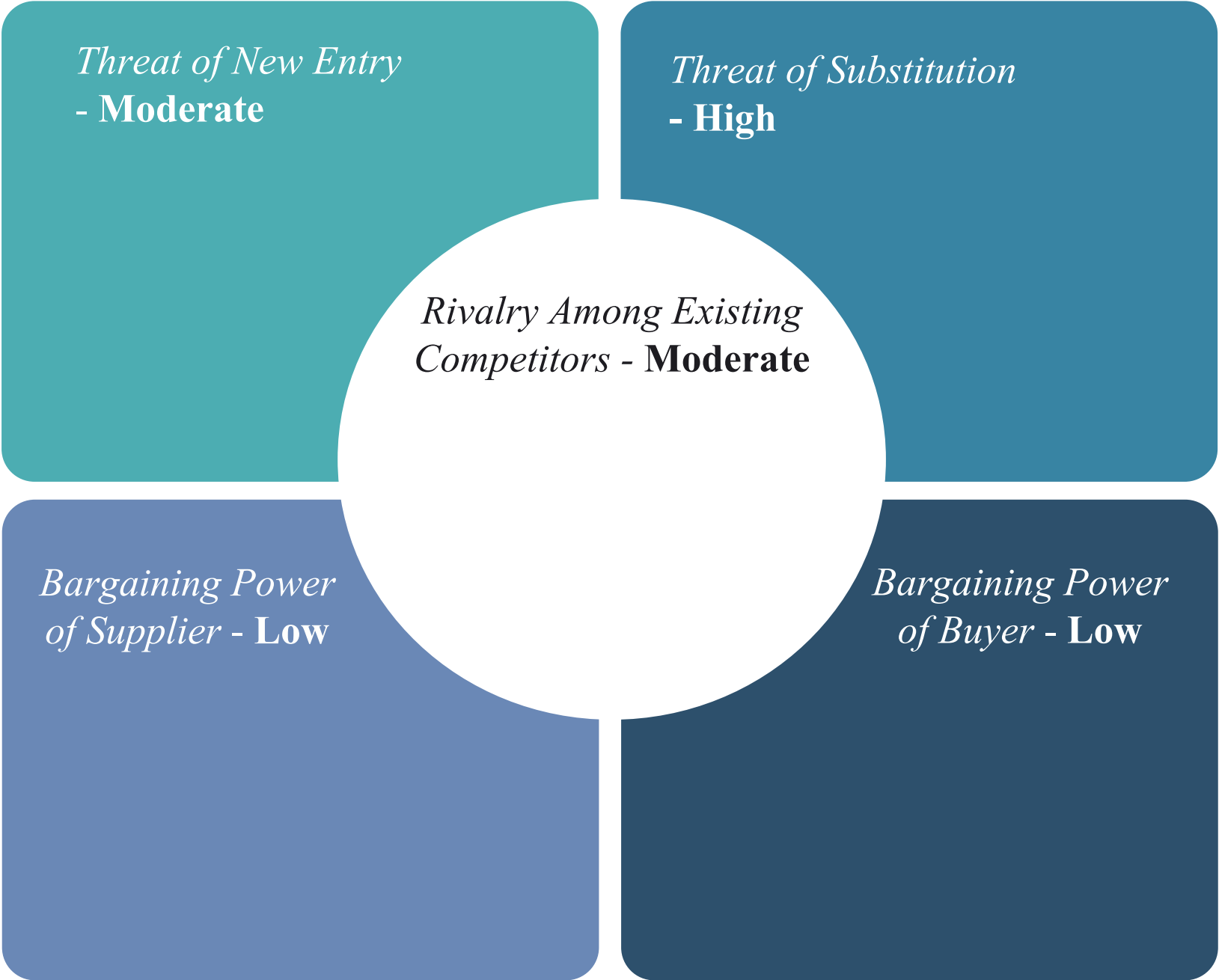


Swipe to buy with 1-Click

1-Click options - Free shipping once available

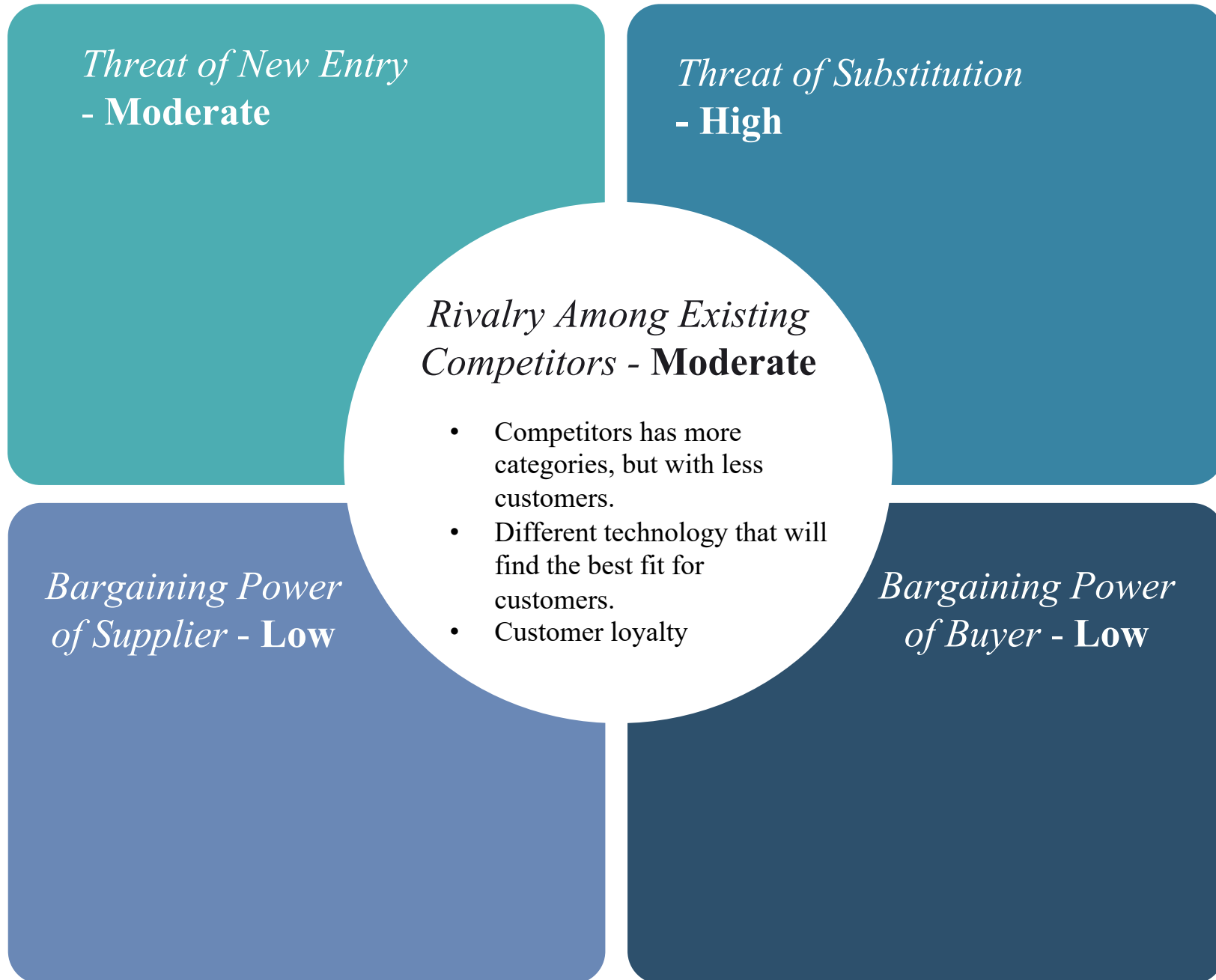
Add to Cart

Porter's 5 Forces



StringKing: \$29.99
Son of Tailor: \$68
Tailor Store: \$39

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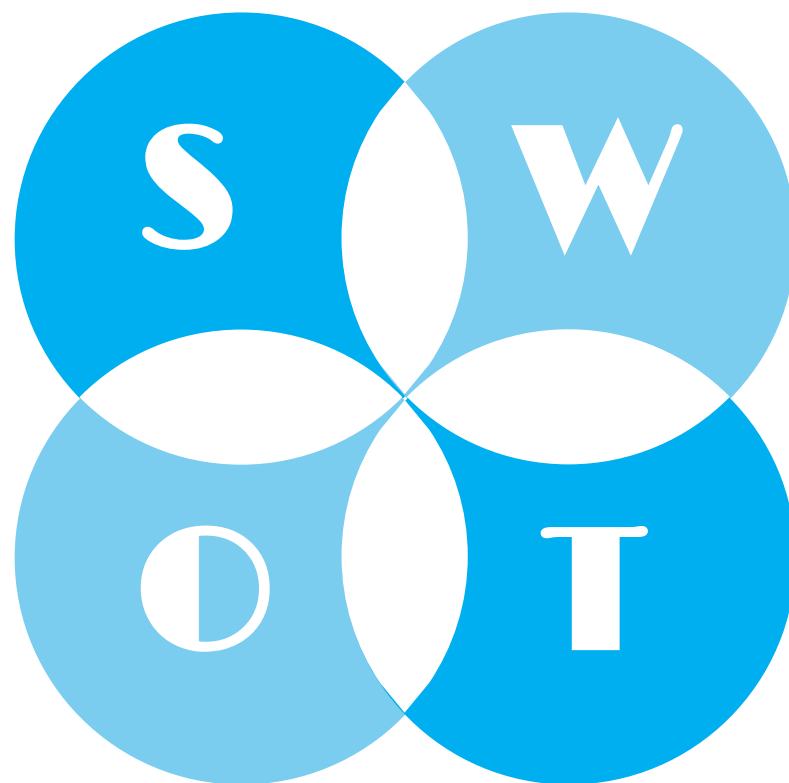


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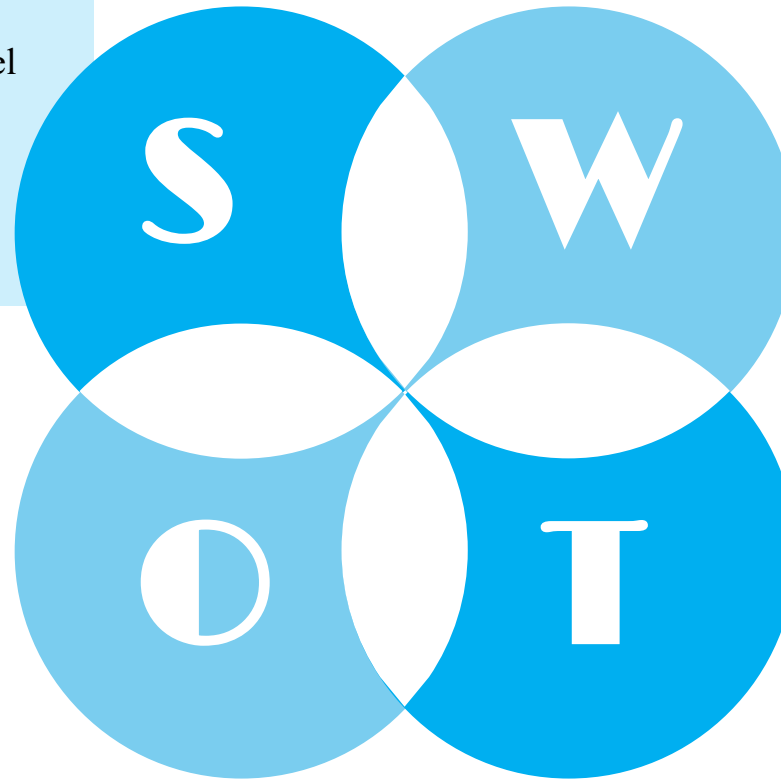
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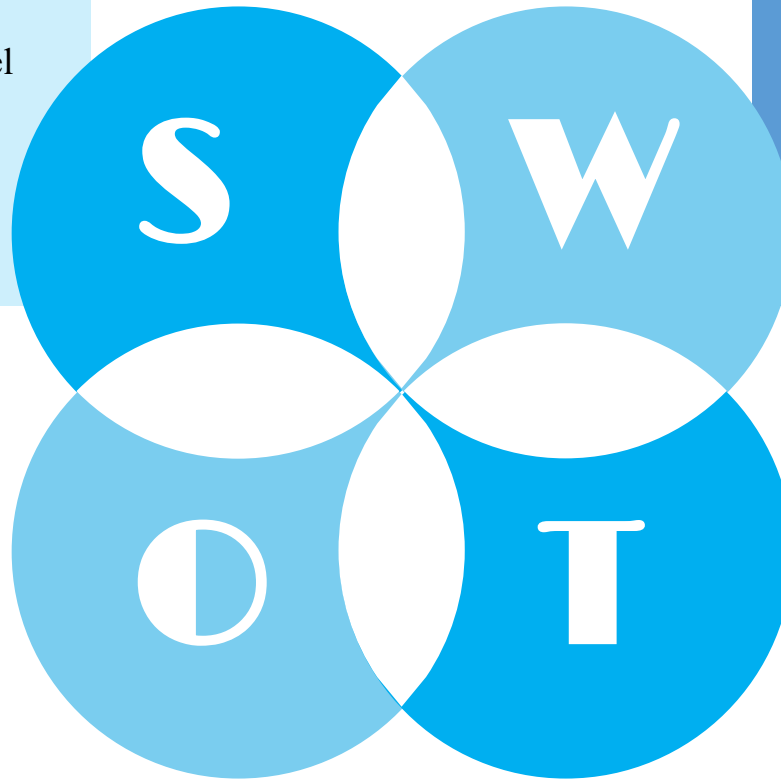
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- Affordable price with high quality
- Convenience
- Customization
- Brand recognition & Awareness
- Customers Information & Database
- Existing Customer Bases
- Complete Infrastructure - business model
- Accuracy
- Sustainability
- Low Costs



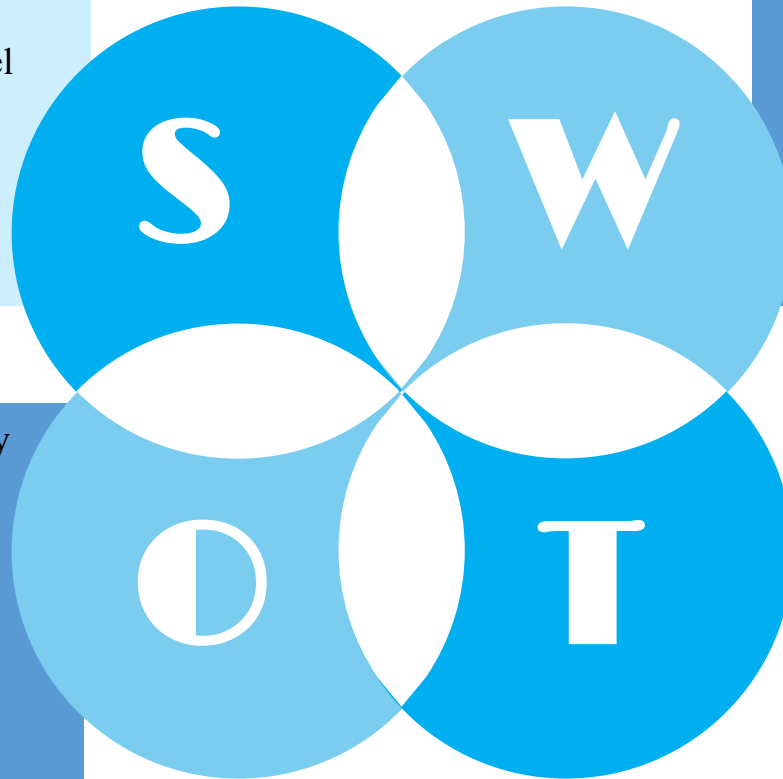
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- Costs – manufacturing costs & return-items
- Service Awareness
- Product limitation – categories options/customization/size
- Brand Positioning - confusion
- Customer Experiences - In-door shopping experience/social needs/customer service/emotional needs
- Initial investment - customization machine

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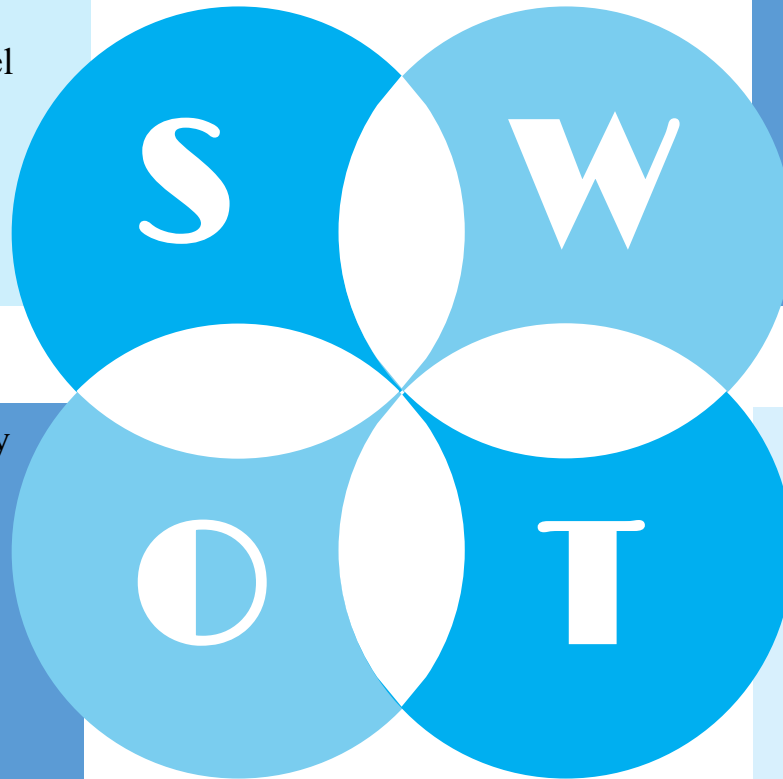
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- Technology Improvement - Diverse body measurement methods
- Customer Preference & Behavior - Online shopping, Tailored offerings
- Market Extension - International market
- Product Categories Extension - Diversification, Kit purchase
- Product Improvement - Room for more customizations, more access to feedbacks
- Awareness/Marketing - Brand collabs and publicity

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- Existing competitors - stitch fix & apliiq
- Low Entry Barriers - new competitors
- Economies of Scale - each item is unique
- Substitute Product
- Environmental: COVID-19 - adjust business models to accommodate the new demand

PESTEL Analysis

P

Political

- Stability of government
- Logistics limitation due to covid 19
- Government political support for industry recovery
- Taxation policy

E

Economic

- Power of purchase Covid 19
- Customer confidence
- Economic growth, interest rate, inflation, and unemployment

S

Social

- Demographic change-overweight
- Preferences to online shopping
- Dress code change
- Lifestyle (before/during /after covid)

T

Technological

- AI (body measurement) Intellectual property
- Clothing customerization technology
- Sector technology demand
- Relevant current and future technology innovations

E

Environmental

- Sustainability (Concerns for global warming, recycling; pollution in packaging, transportation, etc.)
- Environmental regulation
- Renewable energy

L

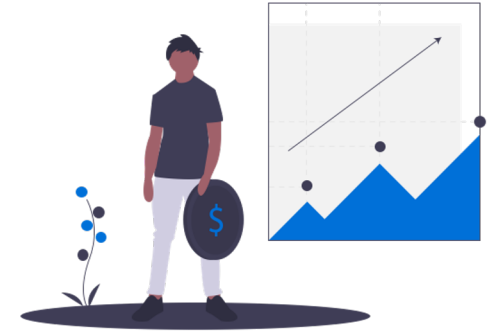
Legal

- Privacy (image)
- Material safety standard
- Covid 19/pandemic legislation
- Discrimination
- Trading policies

Strategy Model I

Existing Customer Bases VS Awareness & Marketing

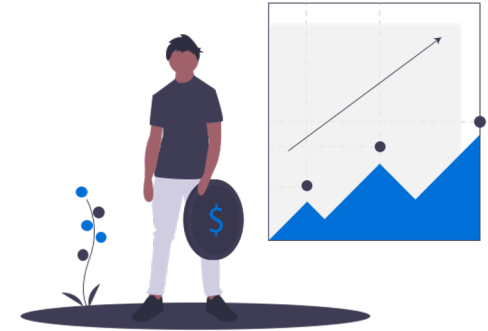
We could increase our ROI by selling Amazon Made-For-You service to Amazon's current customers by increasing service awareness.



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Strategic Model Planning

Brand - Amazon

- Large customer bases
- Brand trust & customer loyalty
- Customer databases -- targeting
- (Customer preference/purchase history/contact information)

Service/product – Amazon Made-For-You

- Low awareness
- Relatively low price with high quality

Strategy

- Direct marketing to right Amazon customers
- Increase the awareness of Amazon Made-For-You
- High ROI (short time duration/low costs/high efficiency)

Risk Mitigation

Uncertainty:

- Customer retention
- Break-even costs & profitability
- Barriers for the same category stores' entrée
- Environmental factors – Covid: needs & power of purchase

Evaluation:

- Marketing experiment

Measurement:

- ROI - advertising, profit margin
- Click rate, landing time, purchase, conversion rate

Strategy Model II *Limitation of Customization options VS Economics of scales*

We could increase our ROI by realizing economies of scale to lower down the costs and establish a compatible product positioning.



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Strategic Model Planning

Brand - Amazon

- Inconsistent brand image
- Brand dilution

Service/product – Amazon Made-For-You

- Price is **higher** than that of mature customization providers
- **Limited** customization options
- Quality is **inferior** to that of quality shirts providers

Strategy

- A semi-customization approach
- Distinguish itself by high quality and low price
- Position its products as base layer essentials

Risk Mitigation

Uncertainty:

- Number of existing competitors in the market
- Customers needs towards semi-customization clothes

Evaluation:

- Customer survey

Measurement:

- % changes in cost / % changes in output (economic scales)
- ROI

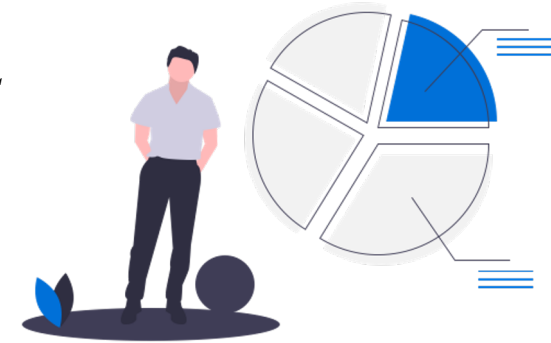
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Strategy Model III *Technology Accuracy & Convenience VS Existing Competitors*

We could increase our revenue by creating a new business model (B2B) to serve different types of customers.



Strategic Model Planning

Technology - Amazon

- Convenient operation interface
- Higher accuracy by taking advantage of advanced algorithm

Threat of New Entry

- limited access to necessary technology

Strategy

- Licensing the technology to other companies utilizing B2B mode
→ to directly obtain more profit.

Risk Mitigation

Uncertainty:

- Core technologies and measurement methods may be imitated or even surpassed by cooperating merchants.

Evaluation:

- 20 popular clothing brands were selected for the experiment.

Measurement:

- Short-term: Directly contact the companies which are interested in this technology to confirm the intentions of cooperation.
- Long-term: The number of successful cooperation agreements as well as the turnover.

Reference

Amazon Statistics (2022). Business of Apps. (2022, January 11). Retrieved February 21, 2022, from <https://www.businessofapps.com/data/amazon-statistics/#:~:text=As%20of%202021%2C%20Amazon%20has,exclusive%20movies%20to%20the%20platform.>

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Q&A