

# ‘Your Serviced Laundrette’

## Digital Strategy Plan

### INTE1030 – A2(b)



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## Company Background

The laundry and dry-cleaning sector in Australia have grown significantly, now valued at \$2 billion with an annual growth rate of 1.6%. This growth is driven by a rise in apartment living, which has increased by 78% since 2016. As more Australians downsize into smaller homes, there is increasing demand for convenient, easy-to-use laundry facilities. (Sector spotlight: Laundries in Australia)



'Your Serviced Laundrette' (YSL) is a small to medium-sized business in Southbank, serving a mix of locals and visitors, including young professionals, families, and students. In a competitive urban area with many compact apartment washers, YSL offers solutions for larger loads and bulky items like bedding and curtains.

YSL's unique selling point has positioned itself as a convenient solution for residents who require access to larger washing machines and dryers whilst providing a range of other laundry services.

**Self-Service Laundry:** High-capacity washing machines and dryers.

**Wash, Dry, and Fold:** Full-service laundry care.



**Express Services:** Fast turnaround for urgent laundry.

**Laundry Supplies:** Detergents and related products for sale.



This flexibility caters to a diverse clientele, from those who need quick turnaround services to those who enjoy the process of doing their laundry themselves.

Despite its strategic location and valuable services, YSL struggles with limited digital presence and technology. While it has adopted cashless payments, the lack of an integrated app, website, and online presence hampers visibility and customer engagement. Improving YSL's digital strategy could boost customer attraction and enhance its competitiveness in Melbourne's urban market.

## Digital Strategy Scope

Digital transformation is essential for staying competitive, with a robust digital strategy being key (AlNuaimi et al.,2022). YSL's digital strategy will focus on implementing a **digitized solution**, including a user-friendly mobile app, a responsive website, and online payments, to streamline operations and enhance customer experience. With urban living in Southbank driving demand for convenience, YSL's current use of a QR code app, physical posters, and the absence of notifications highlights the need for a more integrated digital approach.

### 1. Absence of a Dedicated App:

YSL uses an outsourced app solely as a QR code scanner to operate machines (Sonny 2024). Developing a comprehensive app for service booking, time slot management, and payments can enhance customer convenience and streamline operations (Smith, 2023).

## 2. Digitalization of Service Information:



YSL's physical posters are often ignored. By digitalizing service information within the app and website, including a digital guide and VR feature for product locations, YSL can provide easy access to information, reduce confusion, and improve communication (Jones, 2024)

## 3. Enhanced Customer Communication:

YSL currently has no efficient way to notify customers when their laundry is done (Sonny 2024). By integrating push notifications and real-time updates into the app and website (Smith 2023), customers will receive timely updates, improving their satisfaction, while YSL management can reduce manual checks and optimize staff efficiency.

## 4. Importance of a Digital Strategy:

YSL has not fully embraced digital solutions, missing out on efficiency and customer satisfaction improvements. Developing a mobile app and website will keep YSL competitive, boost operational efficiency, and increase business value.

## 5. Capitalizing on Market Trends:

The global laundry market is growing with a shift towards digital services (IBISWorld, 2024). Adopting a digital-first approach will help YSL stay ahead, offering tech-enabled services and positioning itself strategically in the market.

Digitalized solution such as an integrated mobile app and website can address current business gaps and improve the efficiency of the core business process

## Preliminary analysis



Factor	Description
Political	<ul style="list-style-type: none"> <li><b>Tax policy</b> : profitability can be impacted by changes in tax rates(GST, Business tax etc) (ABC News, 2024)</li> <li><b>International Trade policies:</b> Can impact costs of parts, machines and chemical detergents.(PlanetLaundry, 2024)</li> </ul>

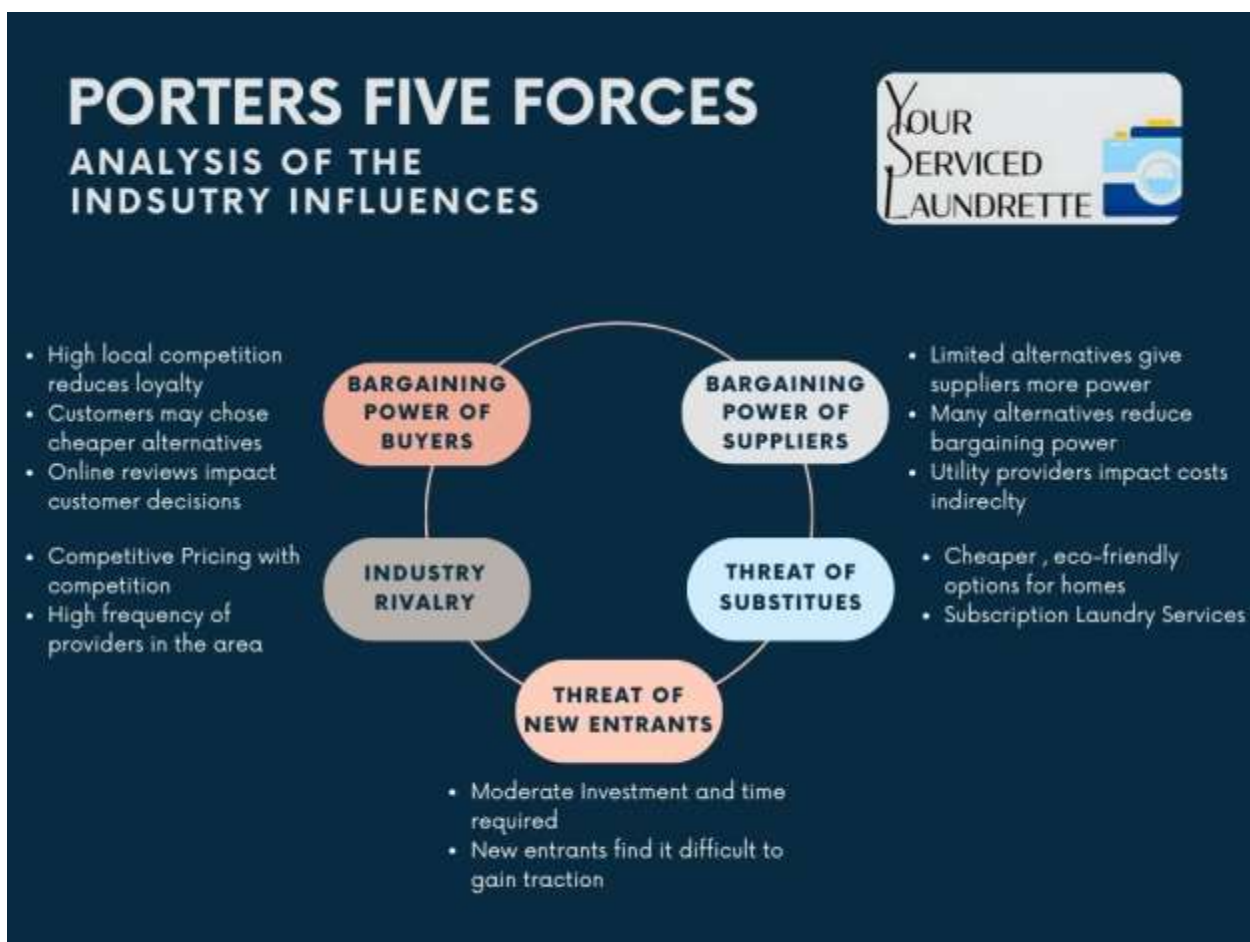


	<ul style="list-style-type: none"> <li>• <b>Transformation policies:</b> Government initiatives to promote digital initiatives may require investment but increase operational efficiency (Victoria Government, n.d.)</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• <b>Inflation:</b> can cause a cost-of-living crisis which may deter customers from non-essential services like laundrettes.</li> <li>• <b>Utility costs:</b> electricity and water prices can impact laundry operational costs</li> <li>• <b>Consumer spending:</b> Melbourne’s economy is stable and not price sensitive, however, international students and tourists may find it expensive.</li> </ul>
Social	<ul style="list-style-type: none"> <li>• <b>Cashless Society:</b> having a card-only payment system aligns with Melbourne’s cashless trends.(The Conversation, 2024)</li> <li>• <b>Sustainability:</b> eco-friendly solutions can attract more customers in Southbank.(University of Melbourne, 2024)</li> <li>• <b>Urban Lifestyle:</b> Consumers in Southbank prefer tech-driven and convenient services such as laundrettes.(ABC News, 2024)</li> </ul>
Technological	<ul style="list-style-type: none"> <li>• <b>Payment Technology:</b> utilizing new payment methods can help streamline transactions and enhance loyalty</li> <li>• <b>AI &amp; machine learning:</b> can provide customized experiences, predict maintenance and optimize operations.(Forbes, 2024)</li> <li>• <b>Efficient machines:</b> efficient machines can reduce operational costs significantly.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• <b>Water usage :</b> laundrettes consume large proportions of water and must use efficient machines to adhere to conservation laws.(Environment Protection Authority Victoria, n.d.)</li> <li>• <b>Public health disasters:</b> a major pandemic could drastically impact foot traffic and impact revenue</li> <li>• <b>Waste Management:</b> chemicals &amp; detergents must be disposed of in accordance with legal requirements</li> </ul>

Legal	<ul style="list-style-type: none"> <li>• <b>Consumer Protection:</b> adherence to ACL and product and services match advertised claims.(Business.gov.au, n.d.)</li> <li>• <b>Data Privacy:</b> ensure adherence to data laws to maintain customer trust(Data entered to access Wi-Fi)</li> <li>• <b>Licensing:</b> ensure all permits to operate are up to date for legal operation(ABN and BCS) Australian Business License and Information Service,n.d.)</li> </ul>
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## The Porters 5 forces

Porter's Five Forces model assesses the competitive pressures within an industry to help firms determine their strategic positioning and achieve competitive advantage.(Goyal, 2021).



Force	Possibility	Explanation
Bargaining power of buyers	Medium - High	<ul style="list-style-type: none"> <li>• <b>Alternatives</b>- Customers can easily switch due to the availability of launderettes in the south bank area.</li> <li>• <b>Price sensitive</b>- some demographics can be price sensitive and switch to cheaper providers</li> <li>• <b>Market transparency</b> – online review can have both positive and negative implications.</li> </ul>
Bargaining power of suppliers	Medium	<ul style="list-style-type: none"> <li>• <b>Specialized Equipment:</b> High-tech suppliers have strong bargaining power due to limited alternatives.</li> <li>• <b>Solution Providers:</b> Suppliers of detergents and chemicals have moderate power due to multiple alternatives.</li> <li>• <b>Utility Providers:</b> Not direct suppliers but significantly impact operational costs.</li> </ul>
Industry rivalry	Medium - High	<ul style="list-style-type: none"> <li>• <b>Cost</b> – pricing might be competitive amongst launderettes in order to attract customers</li> <li>• <b>Competitors</b> – due to Southbank's many launderette service providers, the competition will be high.</li> </ul>
Threat of substitutes	Medium	<ul style="list-style-type: none"> <li>• <b>Subscription Laundry Services</b> – offer reduced traffic and more convenience to customers</li> <li>• <b>Home laundry</b> – with cheaper machines that are eco-friendly consumers might find them cheaper than going to launderettes.</li> </ul>



The threat of new entrants	Medium	<ul style="list-style-type: none"> <li>• <b>Barriers to entry</b> – the initial investment of capital and time is relatively high and can cause a barrier to industry.</li> <li>• <b>Market Saturation</b> – With many laundry services in South Bank it will be difficult for new entrants to gain traction.</li> </ul>
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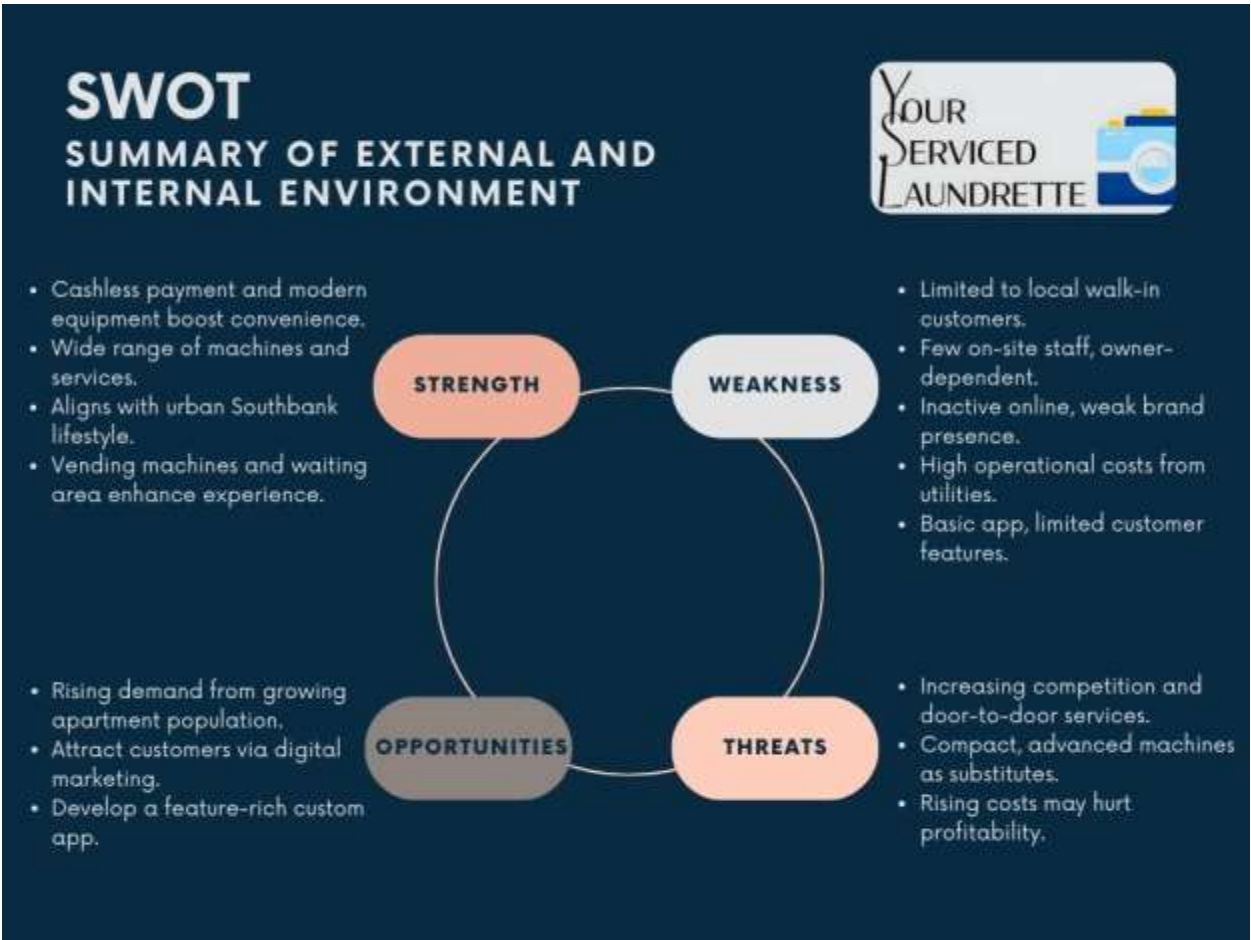
## Internal Environment Analysis

Aspect	Analysis
Business Strategy	The mission of YSL is to give an efficient and accessible laundry experience in Southbank, with a Vision to become a leading hassle-free smart laundromat. YSL prioritized customer convenience, innovation, sustainability, and efficiency and utilizes modern technology to fulfill this commitment.
Business Process and IT Analysis	<p><b>IT Integration:</b> Smart machines with touch screens, Apple Pay, and card options with a customer app for payments and discounts</p> <p><b>Business Processes:</b> Laundry operations, vending machine management, customer service helpline.</p> <p><b>IT Applications:</b> Smart Machines, Customer apps, and payment systems Significantly uplift operational efficiency</p> <p><b>Strengths and Weaknesses:</b> Smart machines and applications offer a competitive edge however lack of on-site staff may impact customer service and lead to higher costs in digital risks.</p>
Value Chain Analysis	<p><b>Primary Activities:</b> Laundry Services, Payment Processing, Customer Helpline.</p> <p><b>Support Activities:</b> Maintenance, IT infrastructure, and supply chain management for laundry powder and vending machines.</p> <p><b>Evaluation:</b> Integration of modern tech is a strength however reliance on the owner for issue resolution could be an issue</p>

Digital Portfolio Analysis	<p><b>Digital Portfolio Evaluation:</b> Significant digital presence with smart machines and cashless payments, but app functionality and customer service need improvement.</p> <p><b>Digital Skills Management:</b> The owner is the sole handler of all operations. To handle growing technological demands, enhanced digital skills and management support initiatives are required.</p>
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## SWOT analysis

SWOT analysis helps YSL evaluate its strengths, weaknesses, opportunities, and threats to understand its position and plan for better operations and market adaptation(Palazzo, 2024).



### Strengths



- Modern machines and cashless payments enhance efficiency and comfort(Nguyen, 2015)
- Variety of machines, dryers, and services offered.
- YSL serves Southbank's urban lifestyle with customer convenience.
- Waiting area with vending machines improves customer experience(Xie, 2022)

## **Weaknesses**

- Dependence on the local market due to geographical location.(eg. walk in customers).
- Lack of on-site staff and dependence on the owner for issues affect responsiveness.
- Limited online presence since 2021 restricts brand recognition.
- Rising utility bills and high-tech equipment increase costs(Kosasih, 2019).
- The current outsourced app offers limited customer options.

## **Opportunities**

- Growing demand for convenient laundry services due to compact apartments in Southbank.
- Potential for new customers through digital marketing and online booking.
- Integration with custom apps for enhanced customer functionality(Saragoça, 2017).

## **Threats**

- High competition(door-to-door service) and price wars may lead to customer loss.
- Efficient, compact washing machines can become substitutes(Ghanbari, 2019).
- Rising living and electricity costs may impact profitability and discourage price-sensitive clients.

In conclusion, a strong digital strategy is crucial for 'Your Serviced Laundrette' to boost customer engagement, streamline operations, and achieve sustainable growth in a competitive market.

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## **Information on YSL**

### **Primary**

#### **Personal correspondence with YSL store owner (mobile)**

**(Sonny 2024)**

Mr. Sonny Chu

0455 870 558

yslaundrette@gmail.com

### **Secondary**

Online google reviews - <https://g.co/kgs/SKBCoca>

Instagram - <https://www.instagram.com/yslaundrette/?hl=en>

Facebook - <https://www.facebook.com/yslaundrette>

(In the future we aim to have an in-person interview with the owner to better understand the business processes)