StitchFix

Strategic Roadmaps

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Current situation and strategy analysis

Mission

Change the way people find clothes they love by combining technology with the personal touch of seasoned style experts.
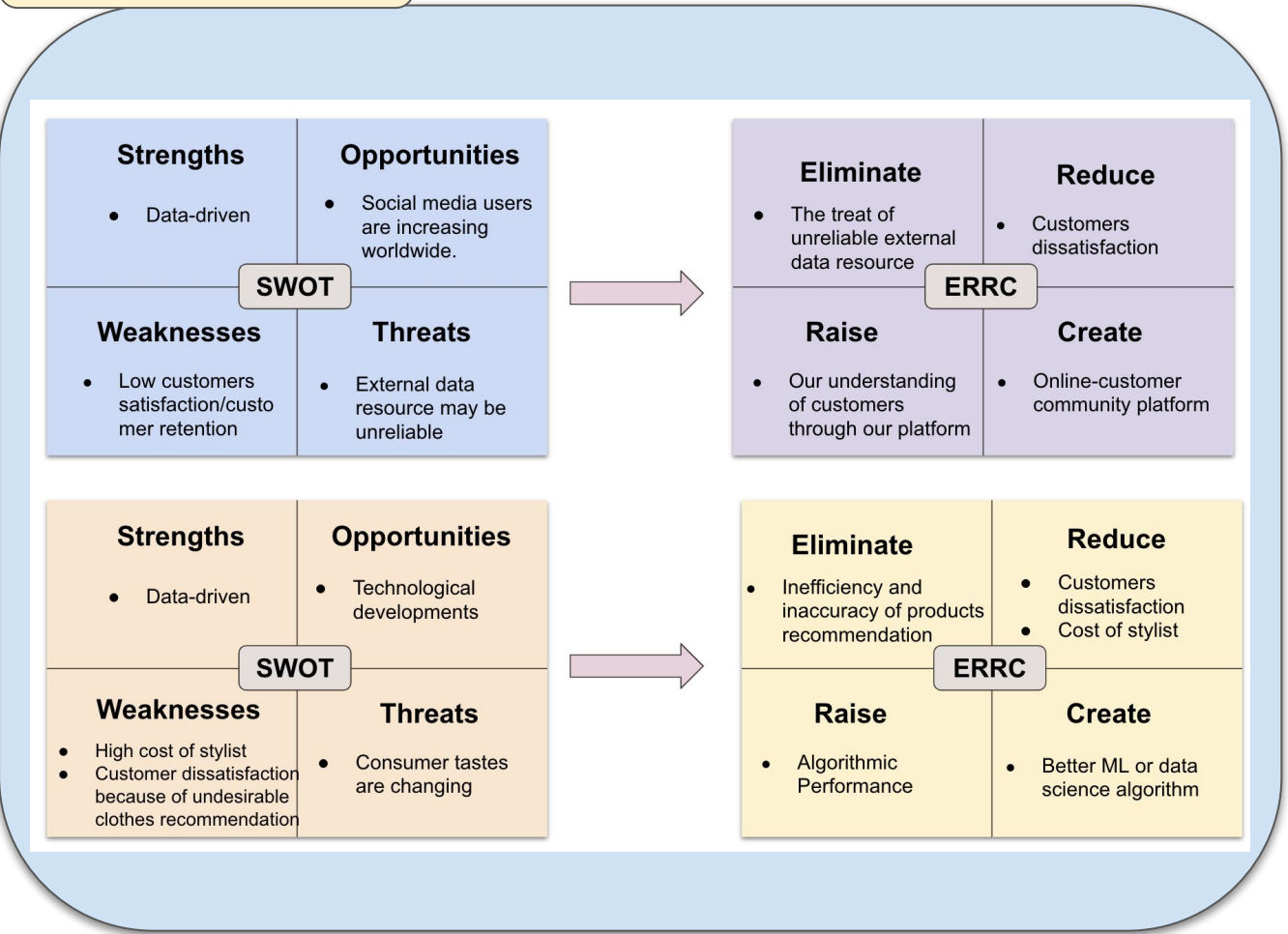
Situation and Environment

Leading the industry with annual revenue of $1.7B, which is 11 times the second company. As of 2019, the company had 8,000 employees including 5,100 stylists and more than 100 data scientists.
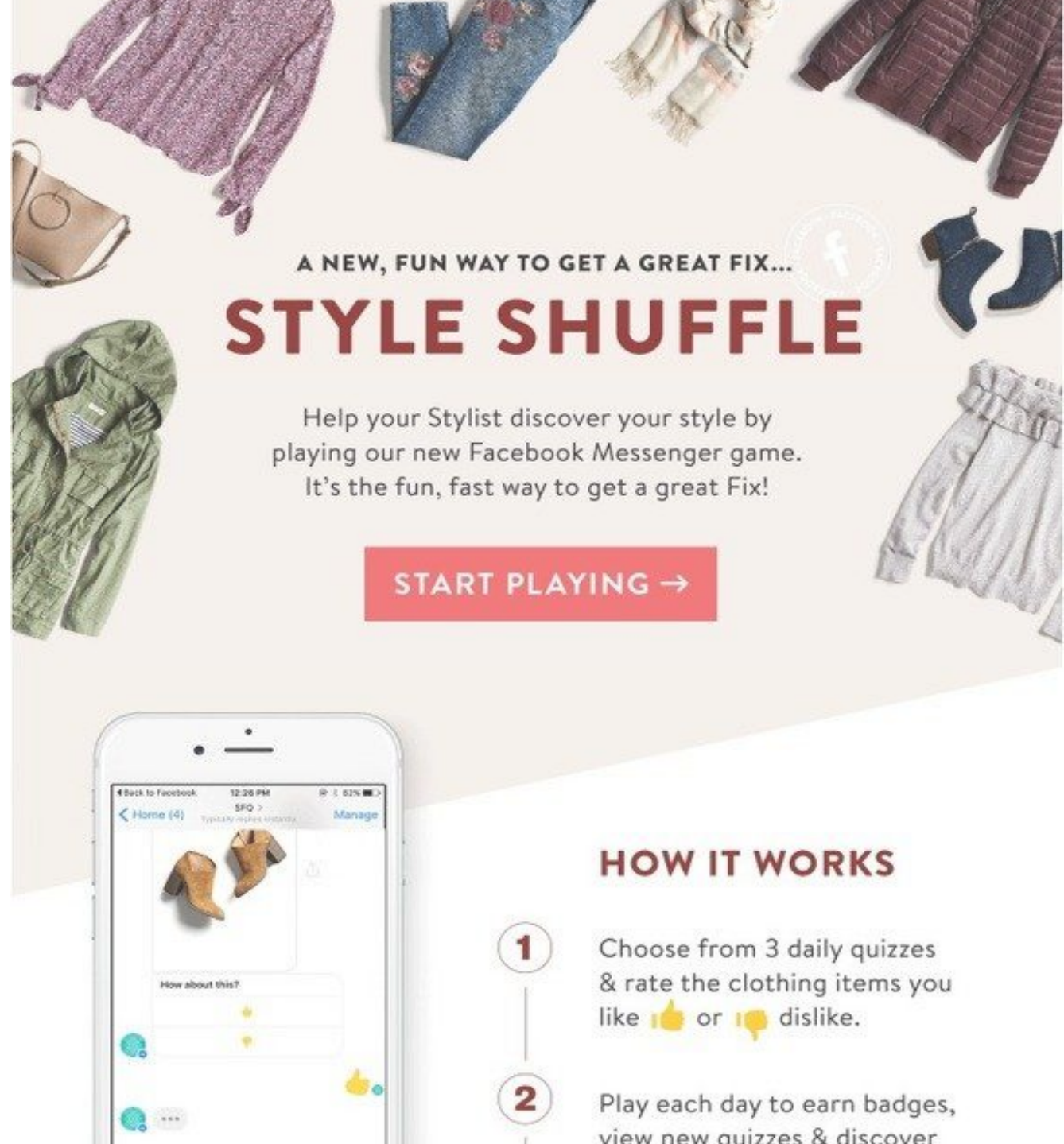
Critical factors for success

1. Mix of machine learning and human selection.
2. Backed by data science (and human stylists)
3. Turning data into action
4. Convenience and discovery
5. Fostering loyalty

Strategic Framework

SWOT

Strengths	Opportunities
• Data-driven	• Social media users are increasing worldwide.
Weaknesses	**Threats**
• Low customers satisfaction/customer retention	• External data resource may be unreliable

ERRC

Eliminate	Reduce
• The treat of unreliable external data resource	• Customers dissatisfaction
Raise	**Create**
• Our understanding of customers through our platform	• Online-customer community platform

SWOT

Strengths	Opportunities
• Data-driven	• Technological developments
Weaknesses	**Threats**
• High cost of stylist • Customer dissatisfaction because of undesirable clothes recommendation	• Consumer tastes are changing

ERRC

Eliminate	Reduce
• Inefficiency and inaccuracy of products recommendation	• Customers dissatisfaction • Cost of stylist
Raise	**Create**
• Algorithmic Performance	• Better ML or data science algorithm

Entice global market —— Style Shuffle

- **Hungry** for data
  - Swipe
  - Better Understanding
- **Personalize** at scale
  - A billion data points
  - Profitability
- **Share** data
  - 1000 brands
  - Customers' Feedback
- Put data into **action**
  - Meet the need
  - Prediction
- Use data for **other departments**
  - Part of company's culture

A NEW, FUN WAY TO GET A GREAT FIX...

STYLE SHUFFLE

Help your Stylist discover your style by playing our new Facebook Messenger game. It's the fun, fast way to get a great Fix!

START PLAYING →

HOW IT WORKS

1. Choose from 3 daily quizzes & rate the clothing items you like 👍 or 👎 dislike.

2. Play each day to earn badges, view new quizzes & discover

Mission:
"It's our mission to change the way people find clothes they love by combining technology with the personal touch of seasoned style experts."

Vision/Goal: Number one personalized styling platform globally

Strategy: Utilizing the enhanced data analytics and machine learning to curate an all-rounded personal styling experience.

Situation	Approach	Execution

Overall Organization

Situation
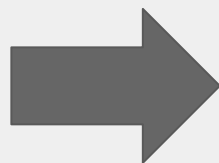- When combine SWOT and ERRC, it is clear that Stitch Fix started in Blue Ocean and must 'remain' in Blue Ocean.
- Strength Opportunity Situation.

Approach
- Customer Focus.
  - Customers serves as both revenue income as well as the engine that drives Stitch Fix Technology's forward.
  - How do we improve customer's satisfaction?

Execution
- Identified Roadblocks that prevent Stitch Fix from reaching its goal:
  - Customer Service & UX
  - IT & Analytics
  - Logistic & Process
  - Marketing & Communication
  - Supplier & Partnerships
  - Organization & culture.

Data Analytics

- Currently, it serves as the core to Stitch Fix Brand Value and industry technological innovation.
- However, it does not fully provide the best user experience or customer service for the consumers.

- Establish Analytics to be Customer Focus:
  - Analytics team as a whole need to strive to improve customer journey.
  - Speed is the key.

- Hiring more analytics innovators and experts to establish training.
- Strive to be at the heart of the organization rather than just a department.
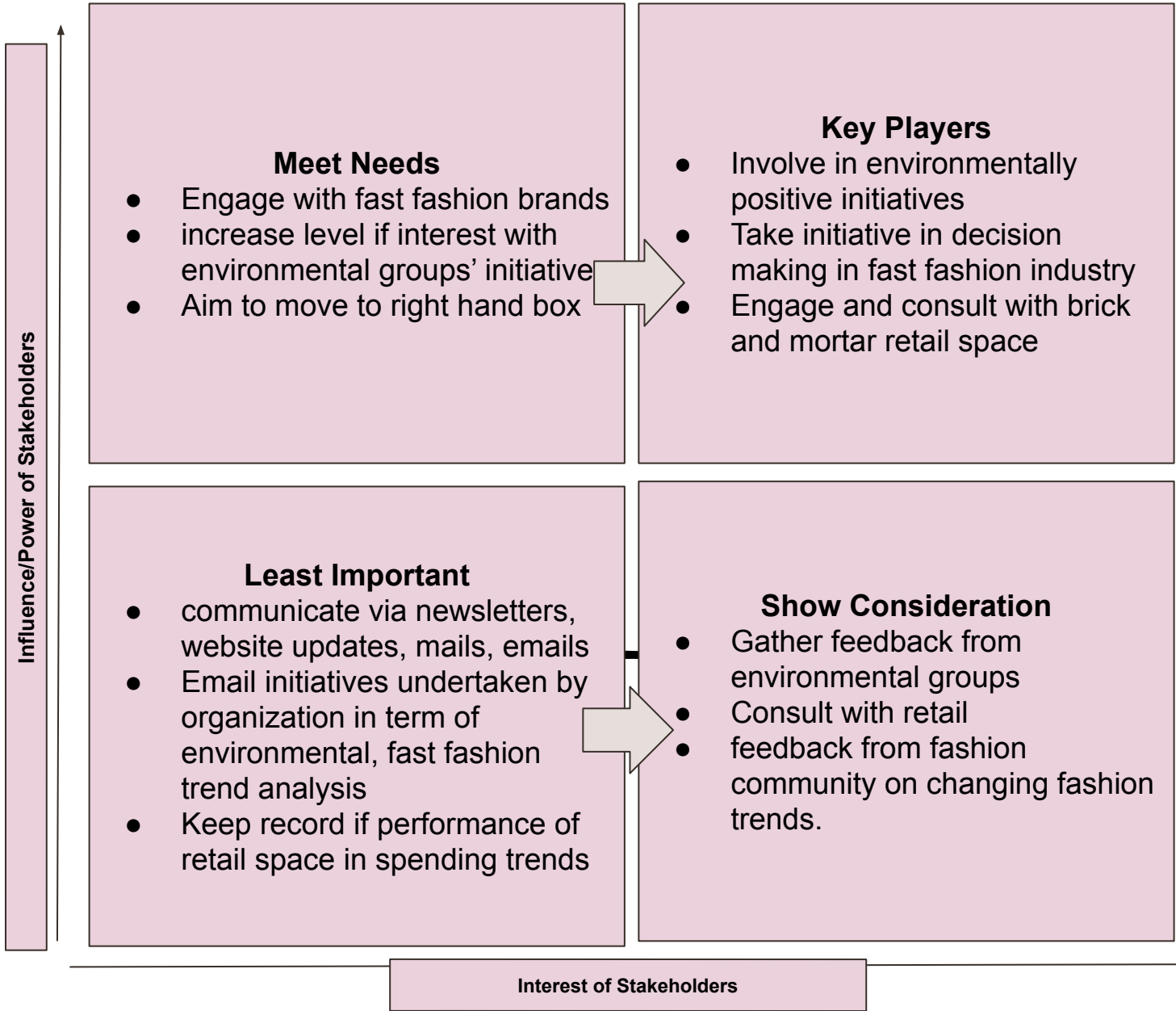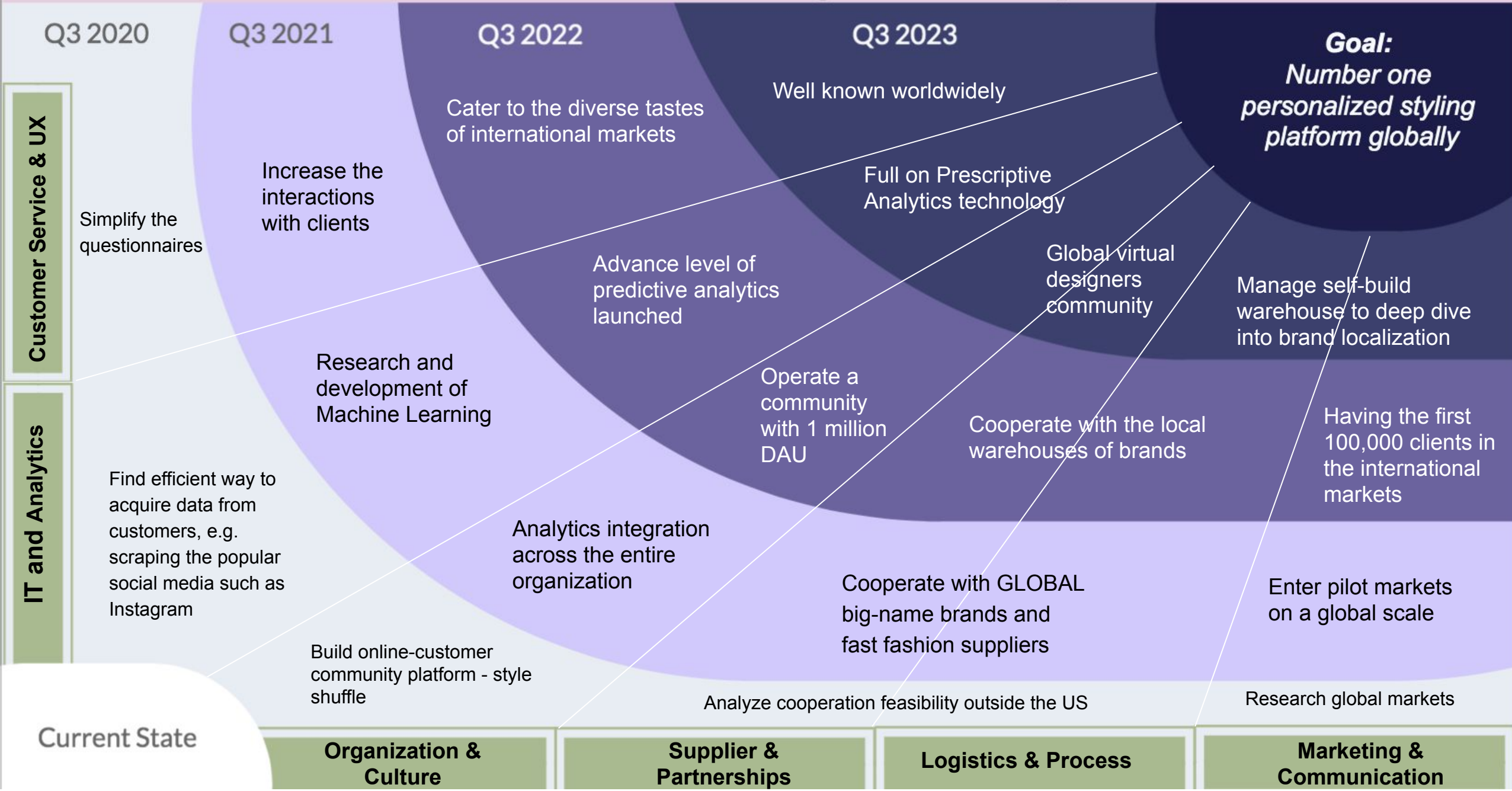
Strategic Roadmap: Terrain Mapping

Influence/Power of Stakeholders

Meet Needs
- Engage with fast fashion brands
- increase level if interest with environmental groups' initiative
- Aim to move to right hand box

Key Players
- Involve in environmentally positive initiatives
- Take initiative in decision making in fast fashion industry
- Engage and consult with brick and mortar retail space

Least Important
- communicate via newsletters, website updates, mails, emails
- Email initiatives undertaken by organization in term of environmental, fast fashion trend analysis
- Keep record if performance of retail space in spending trends

Show Consideration
- Gather feedback from environmental groups
- Consult with retail
- feedback from fashion community on changing fashion trends.

Interest of Stakeholders

Stakeholder	Need/Expectations
Fashion Community	The fashion community is a stakeholder, since the company's decision will impact their purchase trends
Environmental Pressure Groups	Environmental groups is a big stakeholder in fast fashion because of their production as well as garbage creation out of the industry
Brick-Mortar Retail	E-Retail is the bane of existence for brick and mortar retail space. Hence, the company's future decisions will be directly and indirectly affected by physical retail space.

4 Years Strategic Road Map

Q3 2020 **Q3 2021** **Q3 2022** **Q3 2023** **Goal:** *Number one personalized styling platform globally*

Customer Service & UX

Simplify the questionnaires

Increase the interactions with clients

Cater to the diverse tastes of international markets

Well known worldwidely

Full on Prescriptive Analytics technology

Advance level of predictive analytics launched

Global virtual designers community

Manage self-build warehouse to deep dive into brand localization

IT and Analytics

Research and development of Machine Learning

Find efficient way to acquire data from customers, e.g. scraping the popular social media such as Instagram

Operate a community with 1 million DAU

Cooperate with the local warehouses of brands

Having the first 100,000 clients in the international markets

Analytics integration across the entire organization

Cooperate with GLOBAL big-name brands and fast fashion suppliers

Enter pilot markets on a global scale

Build online-customer community platform - style shuffle

Analyze cooperation feasibility outside the US

Research global markets

Current State

Organization & Culture **Supplier & Partnerships** **Logistics & Process** **Marketing & Communication**

Thank You!