Choosy was a technology startup that used a machine learning-based algorithm to identify fashion styles trending on the photo-sharing social media platform Instagram

Choosy is basically a clothing company that uses machine learning to identify its fashion line with the help of social media influencers/celebrities to produce unique and eye-catching clothes.

First, the co-founders had to reevaluate Choosy’s product mix. Choosy’s current value proposition was to offer unique, eye-catching designs inspired by those worn by celebrities. However, the team had come to realize that because these pieces were suited for special occasions rather than everyday wear, strong social media engagement surrounding a particular celebrity outfit did not always correlate to strong sales of apparel inspired by that outfit. Zeng wondered if Choosy should stay focused on its current market or expand its product mix to include more basic styles that could be worn every day, even if that meant straying from the company’s original value proposition of algorithm-driven fashion.

The co-founders also needed to decide whether Choosy should change its shipping model and overall customer experience. Currently, Choosy shipped products from a manufacturing facility in China to a third-party logistics facility in Missouri, where products were picked, packed, and shipped to customers by a logistics partner under the supervision of Choosy’s management team. By switching to a drop shipment model in which products were shipped directly to customers by Choosy’s manufacturing partners in China, Choosy estimated they could cut total shipping costs from $14 to $7 per package. However, drop shipping products would give Choosy less control over its packaging and customer experience, and the company would lose the option to overnight/priority ship to customers. As the e-commerce landscape became increasingly competitive, shipping speeds were a factor in a consumer’s buying decision.

consulting firm BCG suggested in an industry report that fashion companies would need to embrace three supply chain characteristics: fast, flexible, and lean

Qian and Zeng quickly realized that not every photo posted by influencers actually contained clothing; some, for example, only featured a celebrity’s face. This prompted Qian to design an algorithm based on image classification models with over 7 million parameters (i.e., properties learned through training data).

Qian trained the model to detect clothing in images by using 800,000 fashion images, each annotated with 1,000 descriptive attributes. After training the model, Qian designed a convolutional neural network that would review all photos posted by a curated group of high-impact Instagram users during a certain period of time (e.g., the past seven days) and extract those that had relevant clothing images.

Choosy’s business concept was still very raw, but it touched on a lot of timely themes we were interested in. With social media proliferation, consumers are providing endless feedback in real time, ultimately creating millions of data points that have never been available before. But despite the consumer clearly sharing what they want with the world, retailers and brands haven’t really had a scalable way to absorb that information and leverage it to inform decisions. What was most interesting about Choosy was the idea of building an algorithm around the consumer’s voice and engagement, and leveraging that data to shape what a brand or retailer could offer—in real time

In the months after the initial launch, Choosy’s co-founders worked quickly to address challenges and improve the company’s operations and business model. For example, they soon reversed their position on the use of the celebrity side-by-side photos in their marketing; after extensive consultation with their legal team to understand the potential ramifications, Choosy began using side-by-side photos to market its products

Choosy’s team had also reevaluated its plus-size offerings. Initially, Choosy had offered all of its styles in standard sizes (Choosy Straight) and plus sizes (Choosy Curved). However, they quickly learned that there were drawbacks to this approach. For one thing, Choosy’s third-party manufacturers in China were not equipped to produce plus-sized styles, so Choosy had to order customized mannequins for sizes 12 through 20. Furthermore, if all styles were made available in extended sizing, Choosy’s manufacturers could only produce 15 styles per week. Choosy’s team decided to be more targeted about which styles were offered in plus sizes, allowing manufacturers to produce up to 40 styles per week

The design is memorable.” But the team soon found that the design, while visually memorable, was impractical and inflexible. Qian explained:

We have a similar design, where you’re forced to scroll through a bunch of products before you find the one you want. But with IKEA, you have to put up with that design in order to be able to exit the store. With a website, all you have to do is close the browser. You can leave whenever you want.

When Choosy asked respondents what they would like to change about Choosy, the top three suggestions were shorter shipping times (18%), a wider range of styles (10%), and more styles suitable for everyday wear (9%).

Finding the Right Product Mix: focused exclusively on “celebrity-inspired fashion vs simpler/everyday styles were easier to produce

Using a similar drop shipment model, Choosy would reduce shipping costs from $14 to $7 per package.—and since Choosy’s existing manufacturers offered drop shipping for other clients, the company would not have to switch to new factories. “However, this method of shipment is far less reliable and has a higher rate of lost packages than working through the current third-party logistics facility

Choosy’s co-founders feared that if they switched to a drop shipment model, Choosy would lose its brand’s “made in America” feel and would be unable to distinguish itself from other factory-toconsumer companies like Wish and SheIn

As they discussed Choosy’s current challenges, the co-founders floated the idea of launching a prototype website that would test both variables simultaneously, selling more everyday styles with a drop shipment model. The test website would not feature the Choosy brand name and would be geared toward a broader customer base, including older customers and those who lived in less populated areas.

What was the right approach? Should Choosy expand its product mix to everyday styles or try to grow a more focused business in the celebrity-inspired fashion market? How much did consumers value price and shipping time relative to a good customer experience? How could Choosy continue to strengthen its brand and differentiate itself in the crowded women’s apparel market? Should the company launch a new parallel brand and website in order to test some of these elements, or experiment directly using the Choosy brand and website? With her two co-founders looking over her shoulder, Zeng opened up her laptop and began outlining a game plan

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