

Service Design for AEO:

Process Book

Team 11

Janice Chen

Tina Chen

Michael Liu

Christopher Reyes

Qianhui Sun

Nicole Wan

Carnegie Mellon University

05-452 Service Design

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The Team

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1: Primary Research

We managed 3 field trips in total to AE Rose Park Mall and Aerie Southside. We talked with the associates and spotted a couple of problems, like the delay in the inventory system, the gap between online and physical stores, the ambiguity of job division among all employees.

Research Questions

Preliminary research question driven from lecture:

Associate enablement

In-store process that makes customer experience better

Returns and Exchanges

Redefining the ideal return experience

In-store personalization

Creating a more personalized store experience

Omni-Channel Fulfillment

Alternative delivery and fulfillment mechanisms

Refine Research Questions

We refined our research questions to employee enablement, because:

- Research has shown that the contact with employees in-store has a **large influence on purchase decisions.**
- Employees participate in almost all processes of the service, from back-end to front-line.
- Our design solution will be easier for the company to carry out.

In-store Research Plan

- Develop interview & observation protocols.
- Visit American Eagle in Rose Park Mall and have conversations with shop associates.
- Visit American Eagle Aerie in Southside Hill and have conversations with shop associates.

Ross Park Mall

AEO & Aerie



Southside Aerie

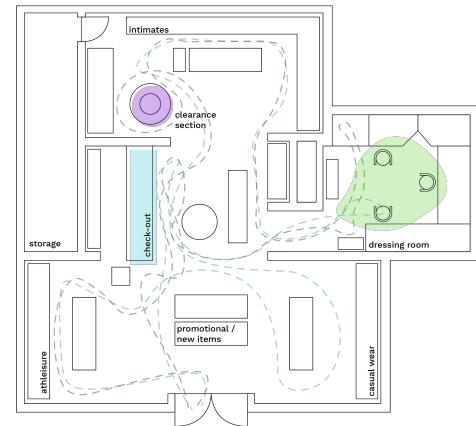
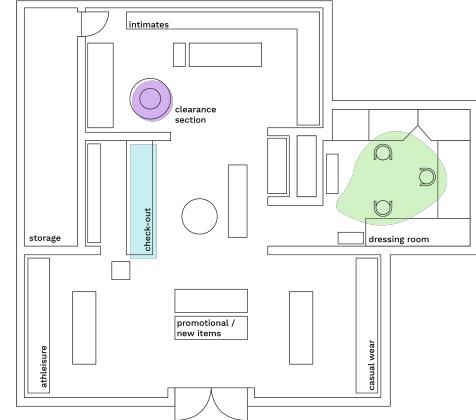


1.1 In-store Visits to AE

Store Analysis

As part of our research, we wanted to look into the affordances of physical space, and how the store's layout encouraged different types of users to explore its offerings. A rough model of the Aerie store in Southside was created, and we recalled some of our paths throughout the store to retroactively consider our influences.

Additionally, it was a helpful way to consider the store from the associate's perspective—some areas are cut off from the associate's view if they're behind the counter, but they get a clearer view if they're out on the floor interacting with customers or tidying up.



In-store Findings: AEO

- Friendly but inconsistent customer reception
- Linkage/disconnect between AEO and Aerie
- Weak interaction between associate and customer
- Associates were not proactive
- Associate distribution is not well-organized
 - Interaction in fitting room is inconsistent
- Inventory System
 - Delay
 - Not user-friendly
- Lack of tech integration
- Disconnection between online store and in store merchandise

In-store Findings: Aerie

- Two associates in-store; Greeted and informed customer about current promotions
- Checking for a different size on computer was difficult to navigate and ended up being the wrong medium
 - tablet/screen to check inventory
- Sales checked the store's inventory and knew they had the item, but didn't know where it was located
- Inventory was a hassle for associates
- Returns were difficult to manage when they receive products without their tags

Interviews

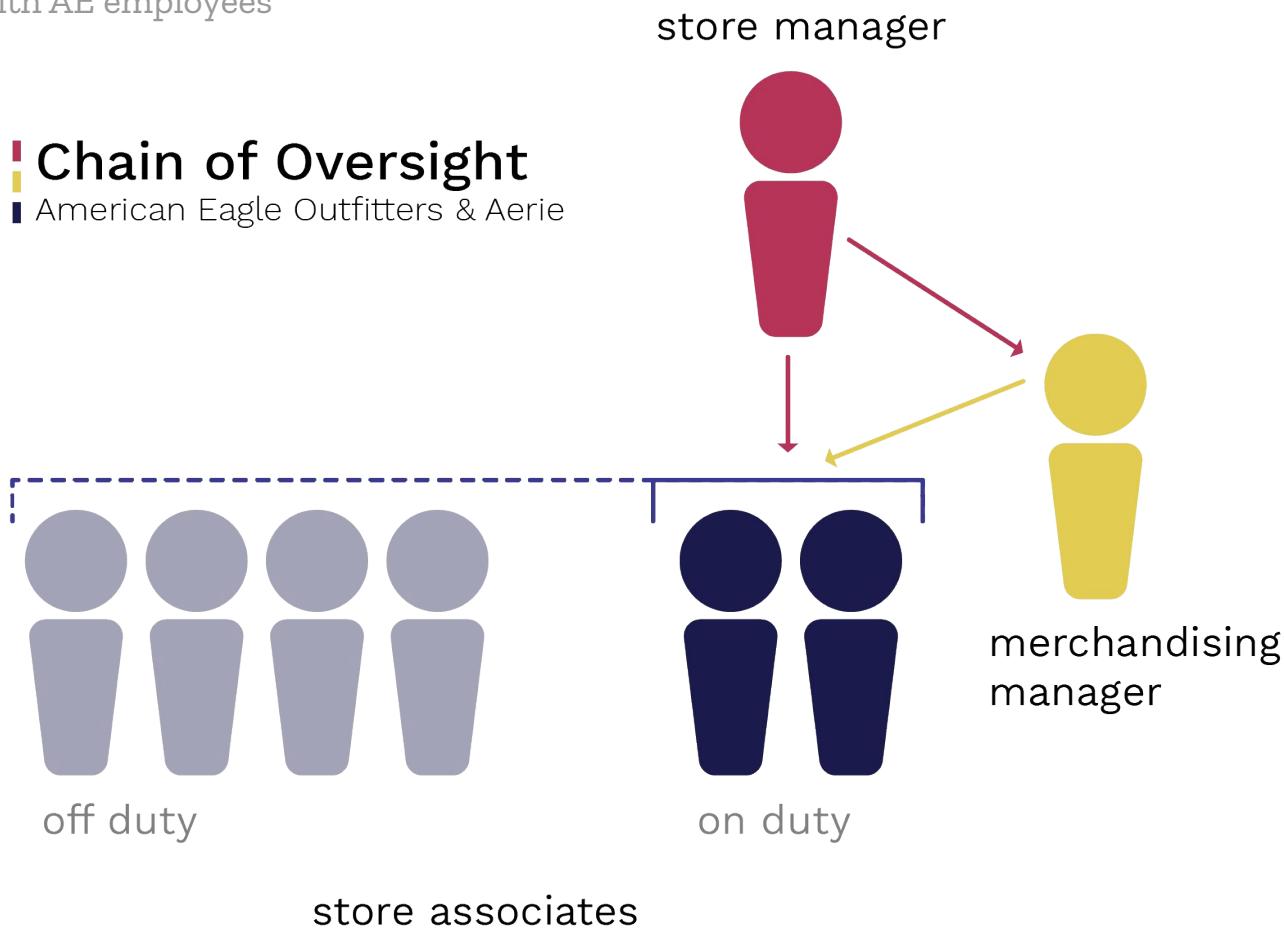
Interview: Aerie Sales Associate (c. 2011-2013)

Worked there in high school, then on and off through college

- Looking back, overall had a positive experience working for Aerie
- Associates told to be "friends first, then make the sale."
 - Personal experience for some shoppers, oftentimes dealt with younger girls going for the first time
- Overnights/store setup
 - Favorite parts since it didn't involve working with customers
 - Requires setting up the store with new clothing to specifications of corporate's Visual Merchandiser

Chain of Oversight

American Eagle Outfitters & Aerie



Survey AE customers

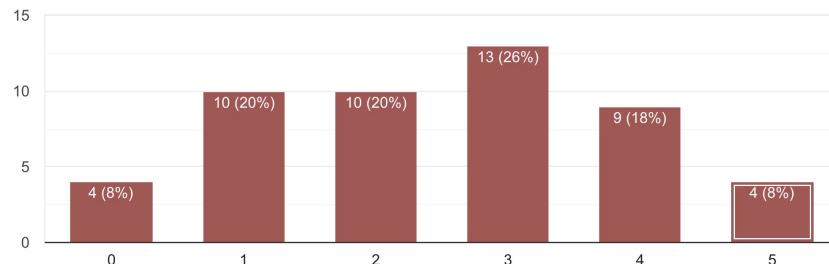
Our questionnaire targeted 50 people mainly from age 19 to 26, which is the demographics that AEO aims to target at.

- 36% are male, 60% are female (4% declined to respond)
- People rate their frequency of shopping online to be 2.5 out of 5.
- People rate their frequency of shopping in brick and mortar stores to be 2.24 out of 5.

Reasons for Buying Clothes Online

How often do you shop online for clothes?

50 responses

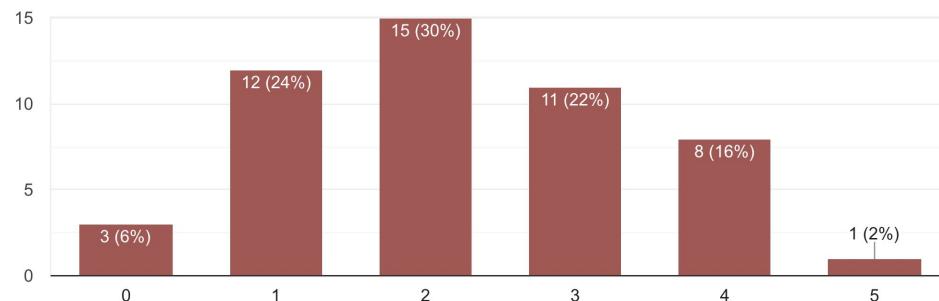


1. Better discounts.
2. Stores are far away.
3. Quicker to see which companies are having deals and less time commitment.
4. Buy online for its convenience once having known the size.

Reasons for Buying Clothes in Store

How often do you shop in brick and mortar stores for clothes?

50 responses

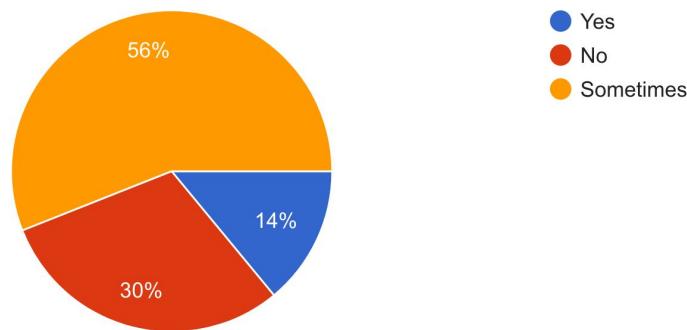


1. Cannot try clothes online.
2. Have to send back unfit items and wait for online purchase.
3. Inconsistent size online.
4. More of a social feel in store.

Many people don't always like to interact with associates

Do you like interacting with the sales associates in stores in general?

50 responses



2: Secondary Research

We gathered information about AEO online and searched for other general trends in the entire fashion industry, like social, economic and technological factors. AEO mainly targeted at youngsters and embraced a culture of inclusiveness, and that young people's purchase decisions become more influenced by media like Instagram and peers around them.

AEO Background Information



- Founded in 1977, in Novi, Michigan
- Now, AEO has approximately **1,000 stores internationally**, with the majority in the US and Canada
- More than 30,000 people worldwide work for American Eagle Outfitters, Inc
- Five core company values:
 - *People, Integrity, Passion, Innovation, & Teamwork*
- AEO's sub-brand: *Aerie*, focusing on women's intimates with an emphasis on body positivity

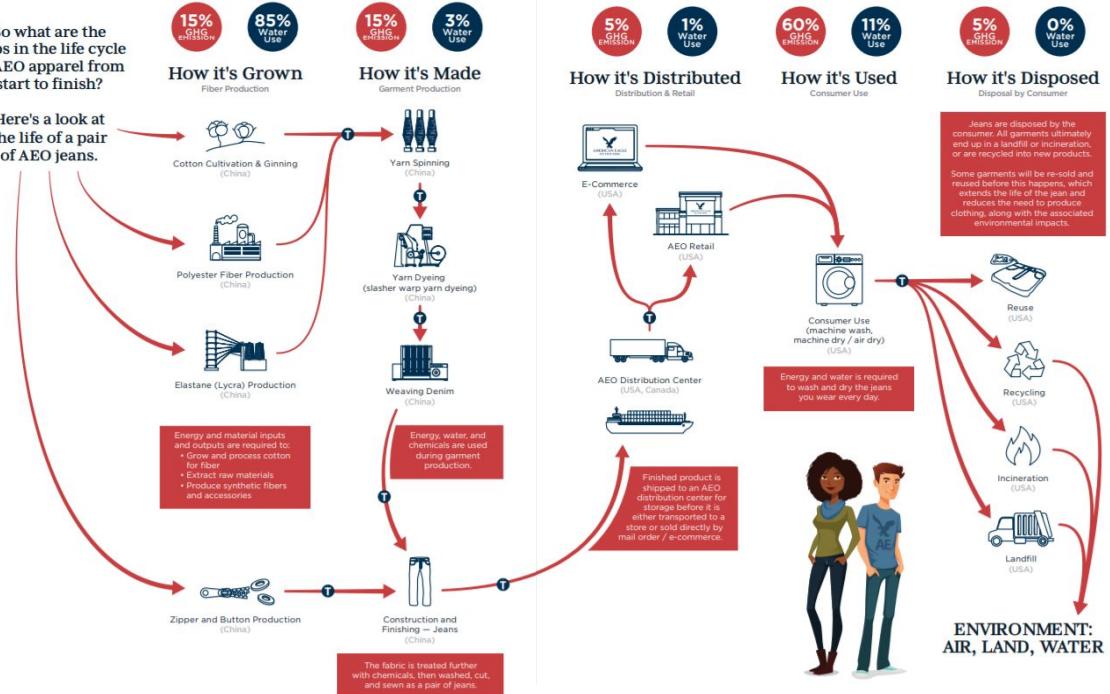
AEO Products

How Our Products Are Made



So what are the steps in the life cycle of AEO apparel from start to finish?

Here's a look at the life of a pair of AEO jeans.



AEO Target Demographics

- American Eagle Outfitters customer is **between 15 and 25 years old**
 - More than half of associates are younger than 25, enabling AEO to stay more closely connected to the demographic they serve.
- American Eagle Outfitters, Inc. is now a portfolio of brands
 - **American Eagle Outfitters:** for girls and guys aged 15–25
 - **Aerie:** for the college girl
 - **AE.COM®:** the online home of all of our brands, ships to 76 countries worldwide.

Features of AEO Target Demographics

AEO's Target Consumers:

- Rely more on social media like Instagram to form purchase decisions.
- Care about quality.
- Value personalized experience and service.
- Value feedback from others.



Market Environment (SET Factors)

Investigated current landscape of retail through three lenses:
social, economic and technological

Utilized excel spreadsheet to consolidate all research. Access [here](#).

Research	What is the trend?	Source
Research	Q Teen's view on their shopping habits	<p>As sociologist Skyler Wang told the San Francisco Chronicle about the sharing economy, "A huge part has to do with the fact that we want change and access to different things. People don't necessarily want to commit to just one thing anymore."</p> <p>Social media will also have a major impact, since Instagram affects the frequency of outfit posting. One user told Racked Los Angeles that she was opting to rent dressed up clothes specifically because of Instagram.</p> <p>https://www.vox.com/2017/12/22/16448537/teens-view-on-their-shopping-habits</p>
Research	Q Fashion brands that teens like most ranked AME 2	<p>Peer recommendations. User generated, social media, and reviews influence people's decision.</p> <p>https://www.businessinsider.com/companies-favorite-clothing-brands-2017-12</p>
Research	Q Declining foot traffic in malls, a more mobile-centric consumer, and demands for better and faster customer service.	<p>Retail companies support and will continue to support majority of jobs in the U.S</p> <p>https://nrf.com/resources/retail-at-a-glance</p> <p>Small companies take up more of the retail industry</p> <p>https://nrf.com/sites/default/files/2017-09/2017_nrf_retail_at_a_glance.pdf</p>
Research	Q AEO's strength in a changing volatile economy	<p>Declining foot traffic in malls, a more mobile-centric consumer, and demands for better and faster customer service.</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p>
Research	Q More emphasis on online shopping experience.	<p>AEO's strength in a changing volatile economy</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p>
Research	Q Reimagined brick-and-mortar businesses	<p>More emphasis on online shopping experience.</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://squareup.com/townsquare</p>
Research	Q Today's consumers want instant gratification.	<p>Reimagined brick-and-mortar businesses</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://squareup.com/townsquare</p> <p>https://squareup.com/townsquare</p>
Research	Q Brick and Mortar stores will keep growing.	<p>Today's consumers want instant gratification.</p> <p>https://www.ae.com/images/corp/2017_nrf_retail_at_a_glance.pdf</p> <p>https://squareup.com/townsquare</p> <p>https://squareup.com/townsquare</p>
Research	Q Drive-through pick-up locations	<p>Brick and Mortar stores will keep growing.</p> <p>https://squareup.com/townsquare</p> <p>https://squareup.com/townsquare</p>
Research	Q Solving the problem of people not knowing their size when they're shopping online	<p>Drive-through pick-up locations</p> <p>https://www.businessinsider.com/start-ups-fit-clothing-fit-with-tech-2018-8</p>
Research	Q Fast efficient shopping	<p>Solving the problem of people not knowing their size when they're shopping online</p> <p>https://www.businessinsider.com/start-ups-fit-clothing-fit-with-tech-2018-8</p>
Research	Q Technology in customer journey	<p>Fast efficient shopping</p> <p>https://nrf.com/resources/retail_tech/no-technology-and-store-formats</p> <p>http://www.babson.edu/eexecutive-education/moult-leadership/technology/Pages/digital-technology-bricks-and-mortar.aspx</p>
Research	Q Alert about deals and promos in store	<p>Technology in customer journey</p> <p>http://www.babson.edu/eexecutive-education/moult-leadership/technology/Pages/digital-technology-bricks-and-mortar.aspx</p>

Social

- Young people's purchase decisions become more influenced by media like Instagram and peers around them.
- Group, family, education level, self-identity are all important social factors in making a purchase decision.

Economic

- Retailing is the largest private employer in the United States.
- Declining foot traffic in malls.
- People have demands for more mobile-centric, and better and faster customer service.

Technology

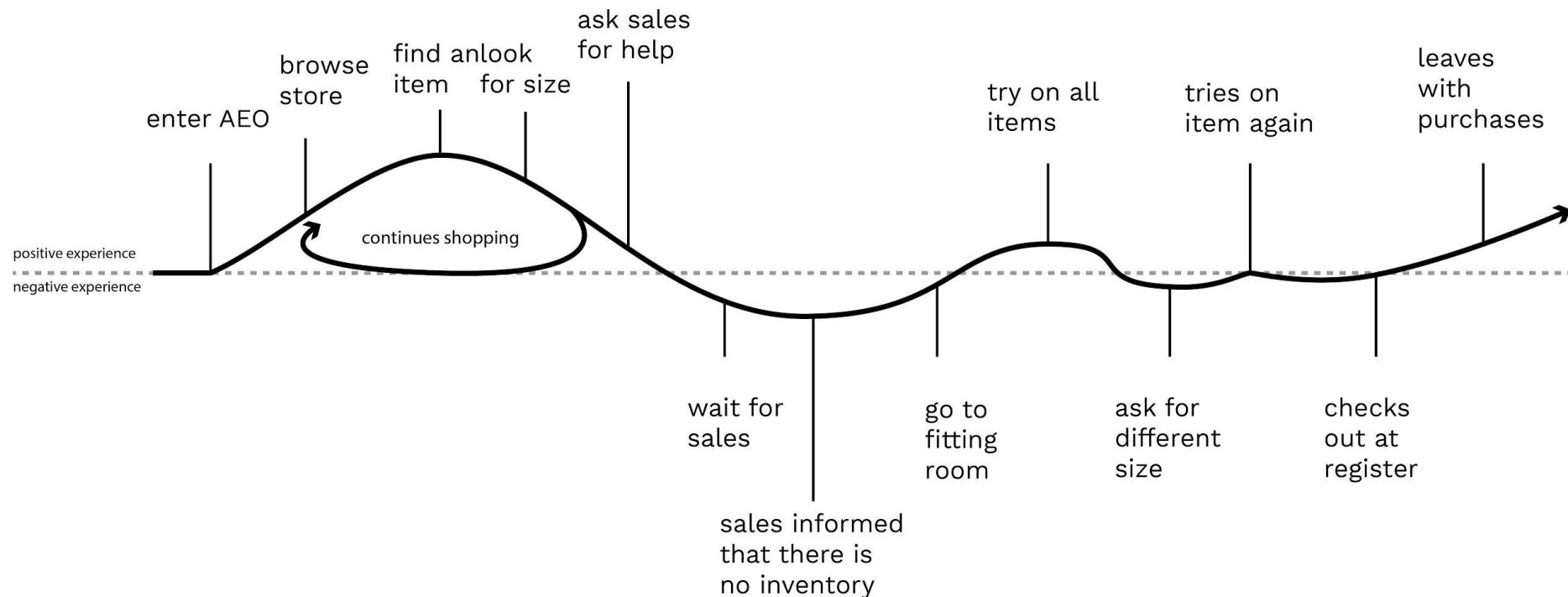
- Using app to gather customer data.
- AR & VR project virtual representation of the objects.

3. AEO Current State

We drew the customer journey map and service blueprint that a common AEO shopper may experience in person now. Two risky touch points are that shop associates could not find what customers are looking for and customers sometimes have to wait for a long time in front of the fitting room.

3.1 Customer Journey Map

Customer Journey Map



Customer Journey Map

- From our experience, the general experience of American Eagle is pretty good. The shop is clean, large and well-lit. The display of objects is well-organized.
- A touchpoint that causes negative experience in the customer journey occurs when **shop associates cannot find what the customer is looking for**, or having to wait for very long for them to search in stock.
- Another negative experience touchpoint is **having to wait for a long time in front of the fitting room** or being unable to find an associate to open the fitting room door. This could happen during peak hours (3pm-8pm).

3.2 Service Blueprint

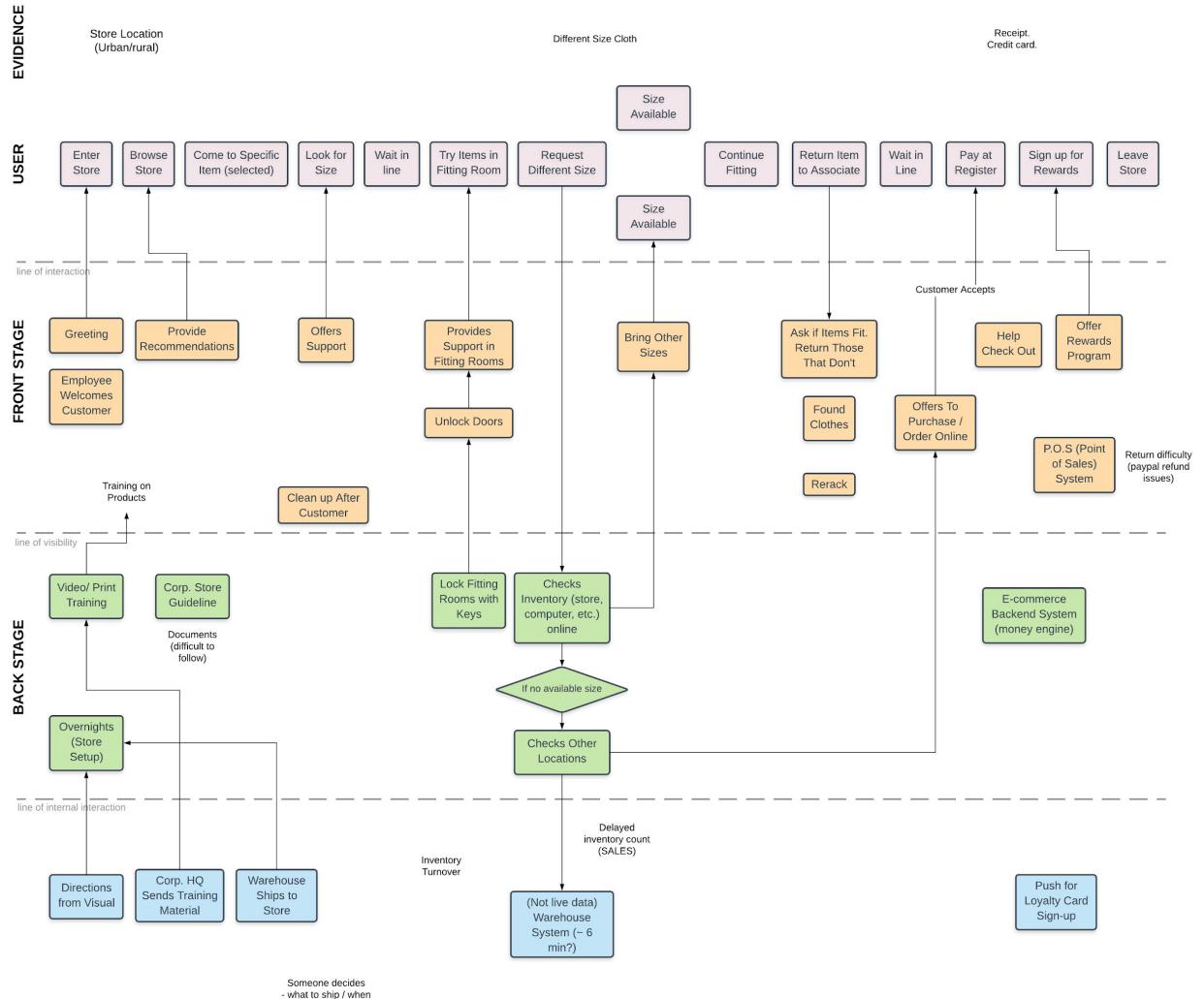
Current Service Blueprint

During the work session in class, we considered the current service blueprint of AEO and Aerie. We demonstrate the whole journey from five different aspects: end user, front stage, back stage, evidence and internal interaction. We believed this is a great way to map out the complex existing service. We also asked for critique about our blueprint from Raelin. She articulated a really good point that there's a 6-hour inventory system delay. This lead us to focus more on how associates arrange and check storage during in store observation.



3.2 Service Blueprint

Current Service Blueprint



4. Our First Problem Space

We spotted a few problems during our in-store visits and interviews. For example, **customers were constantly frustrated** by not being able to find products; there was a **inventory gap** and delay which causes issue for both employee and customers; sale associates have to be able to do multiple tasks; a sense of disconnect between physical and digital store etc.

4.1 Gaps and Frustration

Findings of In-store Visits

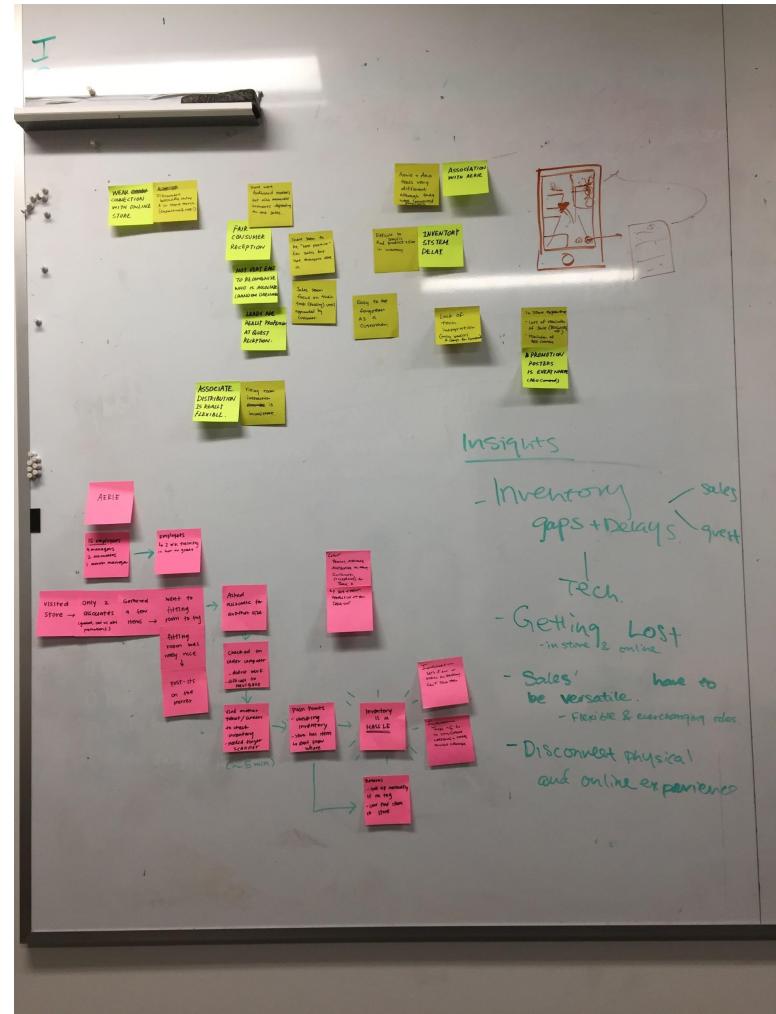
Pulling from our research findings and analysis, we synthesized down to a few themes that we saw as a constant with both our visits.

There was a **inventory gap and delay** which cause issues for both employee and customers. This gap could be mitigated with the use of technology or worsen with the lack of.

Getting lost within the store, **not being able to find products** was something we saw for employees and customers. There is not clear method of wayfinding to specific products.

From our observation, sale associates have to be able to **do multiple tasks**. Sometimes without clear routine. They can't predict all of the customer's needs, so they need to be flexible and be able to respond quickly to any situation.

There was a sense of **disconnect that we saw between physical and digital store**. The prices are different and items offered were different. This could be part of AEO's strategy to offer more to an bigger online market, but there was a sense of dissonance.



Insights from In-store Visits



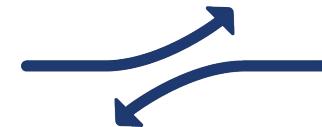
Inventory
gaps and
delays



Getting lost
both in store
and online



Associate roles need
to be flexible & ever
changing “routine”



Disconnect between
physical and online
shopping
experiences

5. Our First Solution Space

Determined by the nature of preliminary research, we offered three possible solutions for the status quo:
close the inventory gap, bridge online and offline experience, as well as streamline transformation.

Opportunity #1



Closing the inventory gap

There is a **6-hour delay** between the actual stock and what is on display in the system. Associates are sometimes confused to find out that the items on display cannot be found in store.

Opportunity #2



**Bridge online
experience with
brick & mortar
stores**

Sometimes customers find that the prices or discounts offered online and in-store are quite different, which makes their experience inconsistent.

Opportunity #3



Streamline transformation

A single associate sometimes has to take care of multiple tasks at this stage. We want to make the task division clearer among associates.

6. Our Second Problem Space

While we would have liked to focus on the **employee's perspective** when it came to **inventory**, we simply do not have access to the information we need in order to design for them effectively. Instead, we're looking at how we can make the **inventory** system more **transparent for the customer**, while also enabling the employees to serve their customers more effectively, possibly with **a personal touch**. Thus, we came up with two ideas: have in-store stylist and an app for instant inventory check at customer side.

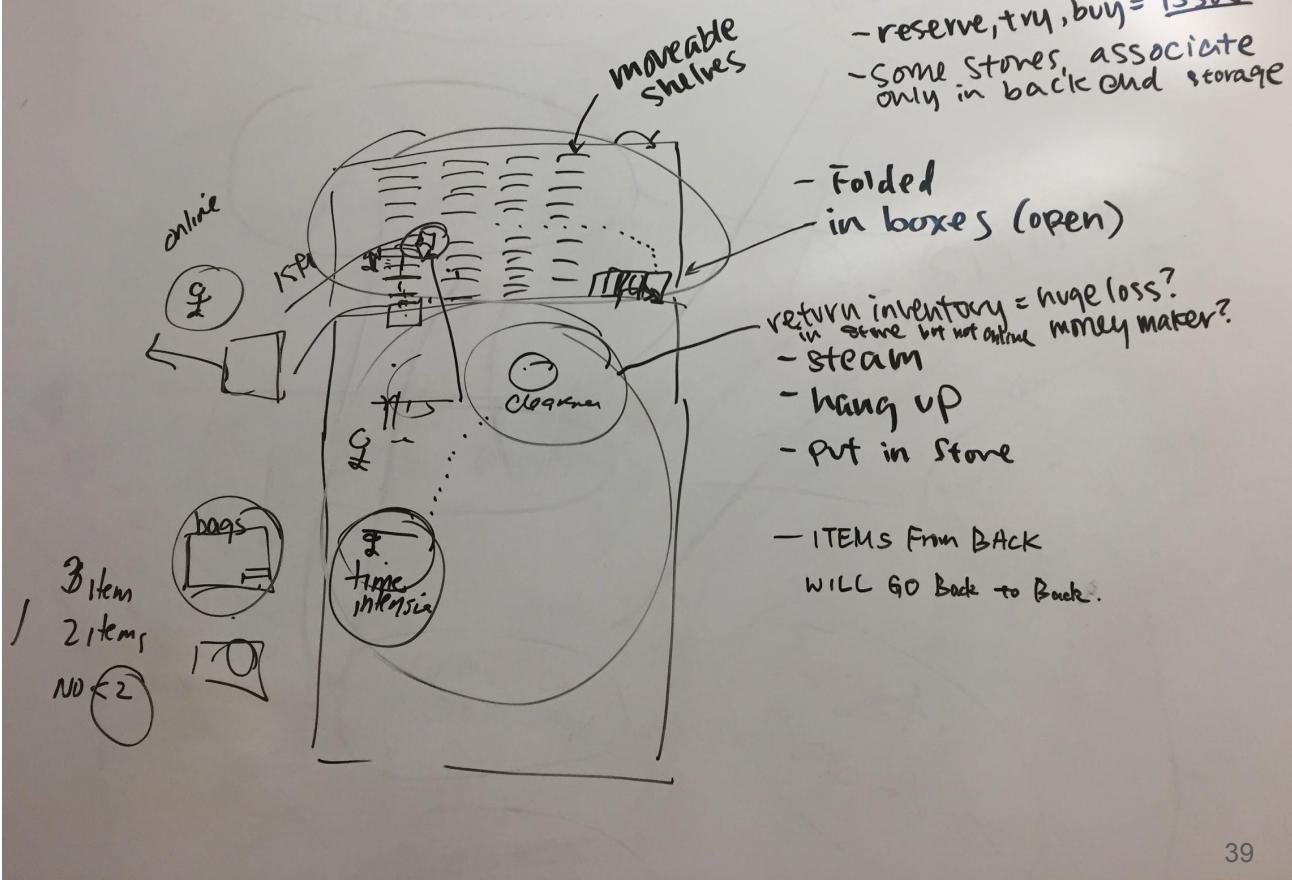
6.1 Reason for Change

Additional Research

Raelin provided us with insights and knowledge of how the backend of stores look and function.

She drew out a diagram of how products are organized in stores and how stores function as distribution centers as well.

She mentioned inventory issues with loss in returns and "reserve, try, buy."

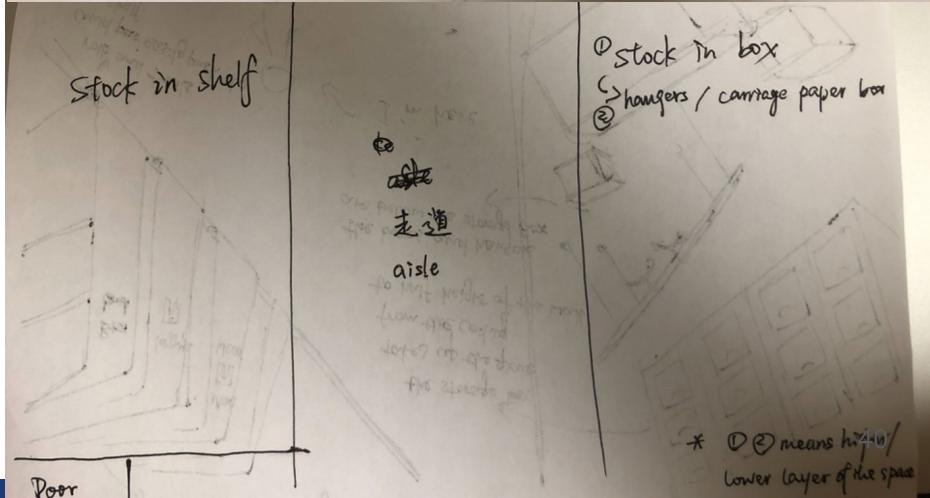


6.1 Reason for Change

Additional Research

When trying to get more information about inventory practices, we visited Aerie at SouthSide again. We interviewed their merchandise manager and had a tour in their in-store storage. Our findings are as follows:

- In the in-storage inventory of each franchise, they classify all the items according to their categories in different movable shelves.
- AEO office takes care of the shipping and reimbursement of inventory of each franchise in the district.
- Whenever AEO office sends the inventory to AE store, they need to scan everything to get the AEO office updated of their progress.



Building our Persona

Jessica, age 20

CMU Student

She is always busy with her course load and social activities, wants to find her best fit with the least amount of time and effort. However, when she shops online, she often **gets unfit clothes with wrong sizes, colors or styles** which will make her frustrated.

She likes to be stylish but also likes to feel comfortable in what she wears. She prefers to go to a store to try clothes on, but even then she sometimes can't find the right size or what she wants.



Current Problem Scenario



Online
shopping



In store
shopping



Problem: clothes
with wrong sizes,
colors, styles

Cannot find what
she wants

**Frustrated with
wasted time and
efforts**

How might we help customers receive a more informative and efficient shopping experience?

How can we foster a better connection between customers and associates?

7. Our Second Solution Space

We came up with two possible solutions: have an **in-store stylist**, or have multiple channels that could allow customers to **instantly check inventory** at their side.

7.1 In-store Stylist

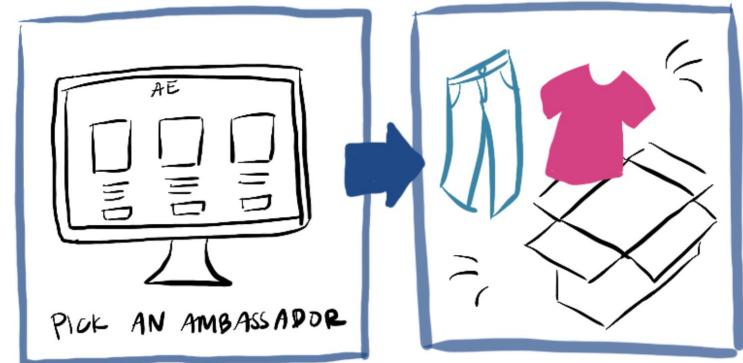
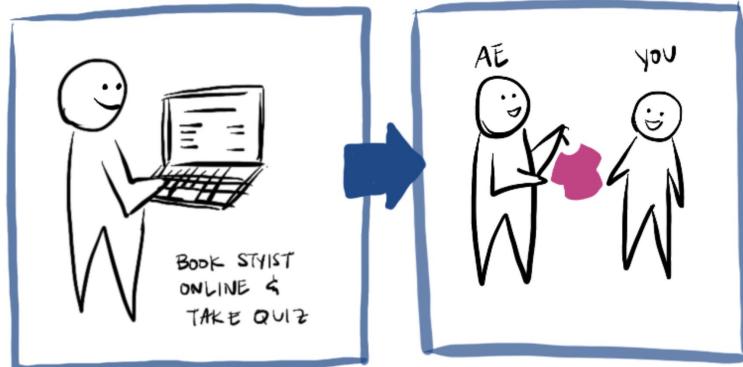
In-store Stylist

Styling would come in two channels:

either a customer could book an in-store appointment where they're measured and styled, informed by feedback on items;

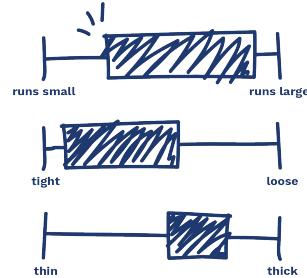
or, select a style of an AEO Ambassador that they resonate with, and receive a box curated by that Ambassador

(AEO already has a strong set of influencers for both American Eagle and Aerie, and this could be an additional method of gaining value from existing sources)



7.1 In-store Stylist

In-store Stylist



informs



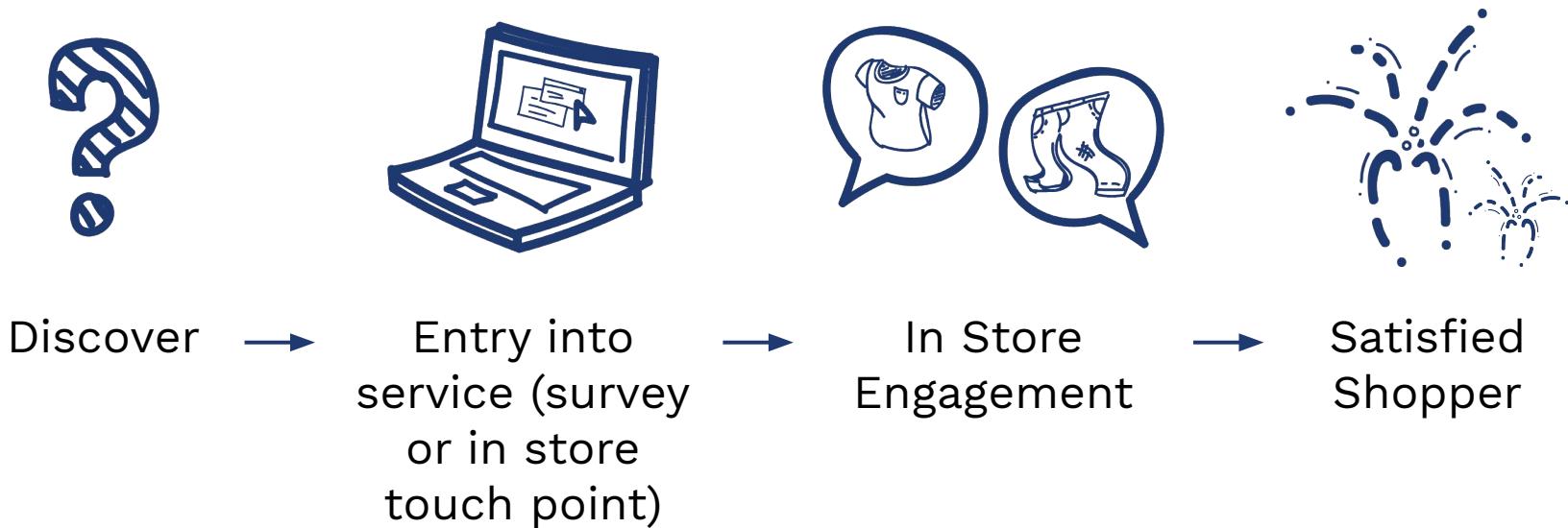
Backend

Collecting customer style and fit preferences

In-Store & Online

Provide stylist service for personalized help in style and fit

Personal Stylist

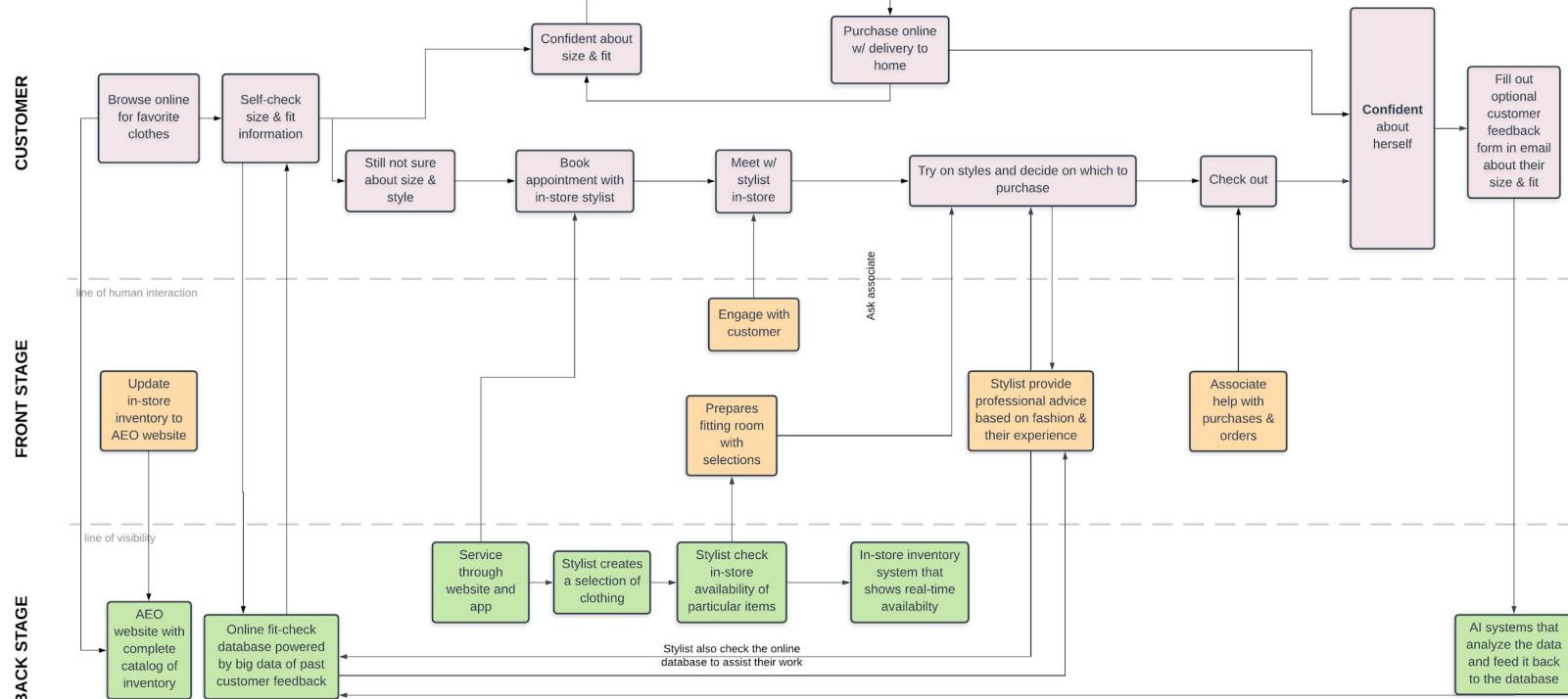


Ideal Future Scenario for In-store Stylist

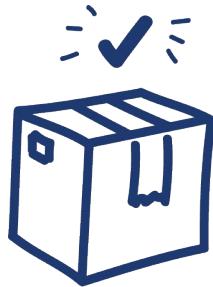
American Eagle has become known for incredible customer service, and customers feel a **personal connection** with both the brand and its associates. Those who don't know much about fashion feel comfortable walking into an American Eagle store, and walk out as long-term customers, and dedicated AEO fans are able to interact with the brand even more through their Ambassador-curated boxes.

American Eagle's image as a whole has maintained its essence of **inclusivity**, and customers of all backgrounds and sizes know that they will feel welcome inside of an AEO store. **Styling bookings are a daily occurrence**, either by people who need fashion help, or by customers who are getting ready for a big personal event (first date, a night out, etc.). They feel comfortable in the store and trust the brand enough that they're willing to let American Eagle have a place in their personal lives.

Service Blueprint for In-store Stylist



Instant Inventory Check



Backend

Live inventory data for each individual store

informs

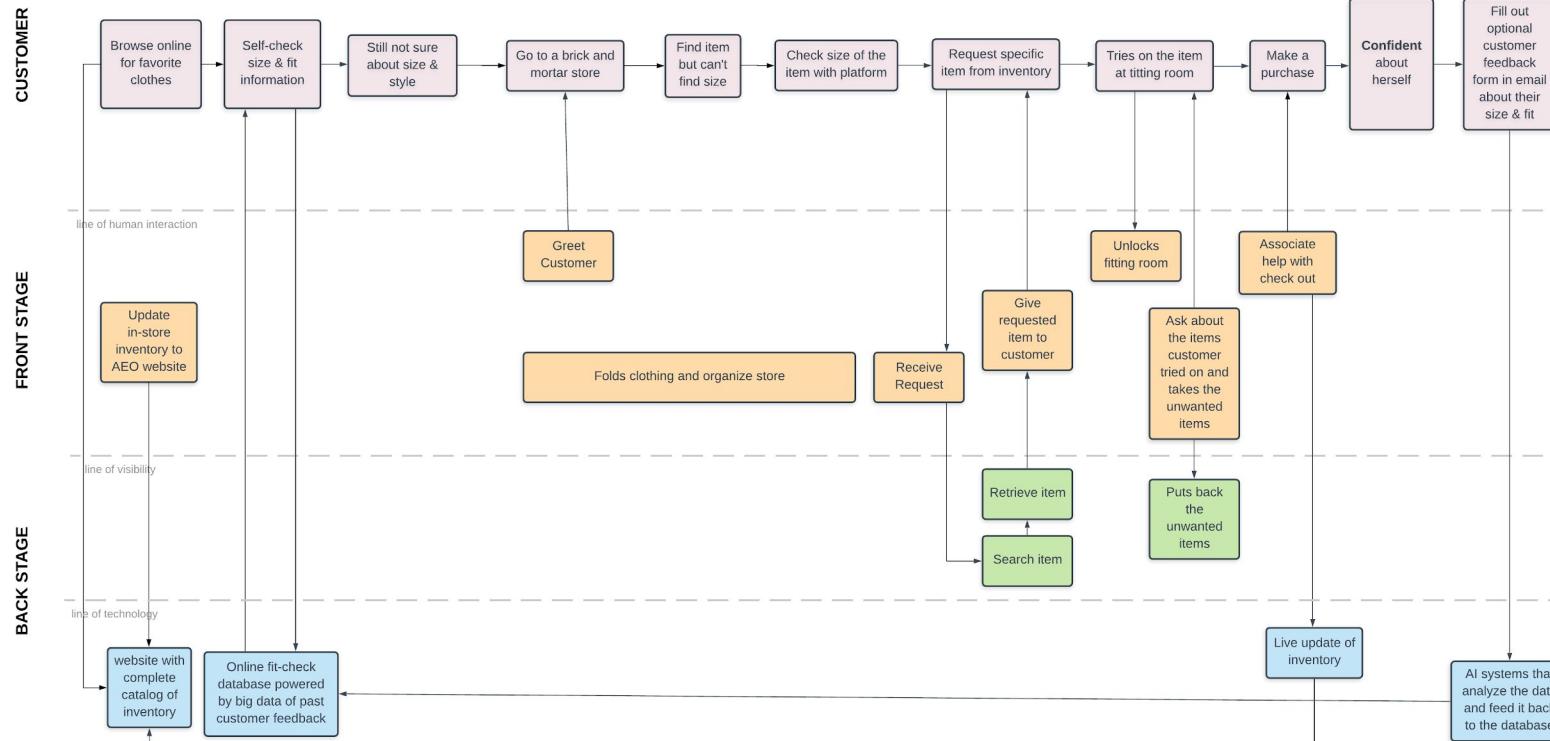


In-Store

Provide customers a platform to instantly check inventory

7.2 Instant Inventory Check

Service Blueprint for Instant Inventory Check



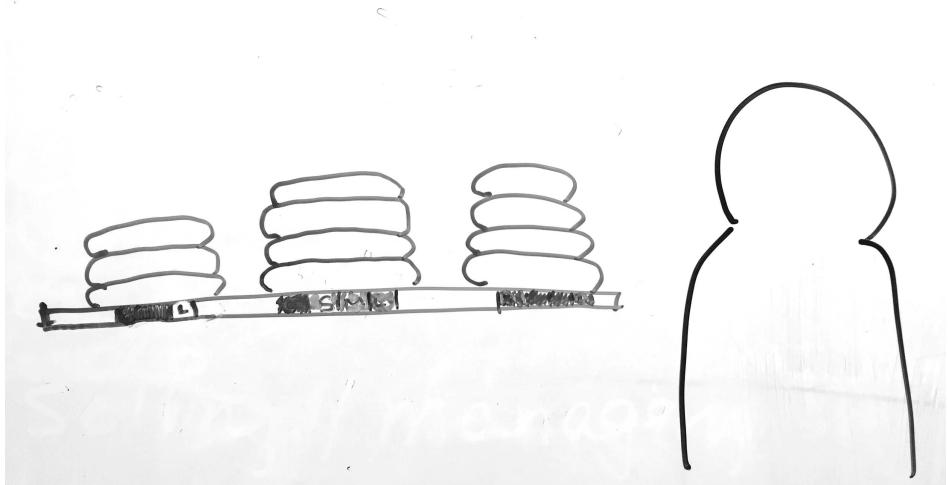
Ideal Future Scenario for Inventory Check

While American Eagle associates still have a strong connection with their customers, customers now have a **new sense of freedom and empowerment** within the store space as they're able to more easily navigate the shelves, as well as figure out if desired items are available in different variations (color, size, etc.).

Having this availability of information, **associates no longer have to run back and forth** between the front of the store and storage in order to help customers, and can now spend more time on providing more meaningful customer service. **Associates are more available to better know their customers, and provide style and product recommendations** that are relevant to the individual, building an even stronger connection for the client to the brand.

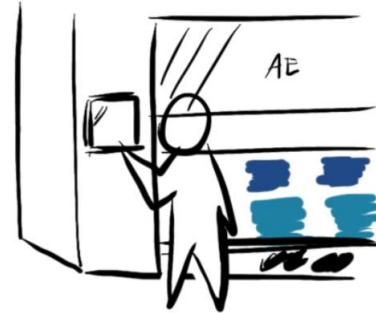
Smart Shelves

- RFID tags could be attached to each piece of clothing with information about their size, fit, etc.
- Each shelf could be **equipped with a digital display** that shows which sizes are on stock, so that customers and sales associates don't need to go through great pains to search for clothing of different sizes.



In-Store Kiosks

- AEO could place kiosks in store to help customer check inventory details.
- The kiosks provide inventory information for specific store and if the items are not available, they will provide other store location info or other items available in this store.
- Kiosk placement should be aligned with the major traffic flow of the store.
- The kiosk system also enables customers to call sales associates for help.



8. Potential Risks

Several potential risks that our service innovation may face are that 1) people don't want to get styled 2) employees don't feel comfortable enough to give styling advice 3) AEO does not have enough credibility to style people. We will later test them out through speed dating and user enactment.

Risk #1:

Do people interested in getting styled?

- Not sure if there would be actual interest among customers
- Online quiz as a barrier to entry
- Would people show up for appointments?

8.2 Employees confident enough to style?

Risk #2:

Do employees feel confident enough to style customers?

- Employees may need additional training to become stylists
- Training & scheduling costs for AEO may increase
- How to distribute styling responsibilities among employees so that they are not overwhelmed?

8.3 AEO has the credibility of styling?

Risk #3:

Does AEO have enough credibility to style customers?

- Research shows that customers often feel like being sold to when given styling advice from associates
- People feel more comfortable **when advice comes from their friends**, rather than a sales associate

9. Speed Dating

Each of us presented 7 storyboards to different potential AEO customers and asked for their feedbacks. The 7 storyboards are smart shelves, accessories wall, style boxes, in-store personal stylist, online styling survey, stylists at home, casual shoppers.

Styling at Home

Title STYLIST @ HOME Name TEAM 11 - JANICE CHEN

① Olivia doesn't follow trends because she's a busy working professional. But, she wants to look stylish when she goes out.

② Olivia also wants the personal touch so she books a personal stylist for a home visit.

③ She feels a short questionnaire on her preferences in style, size & comfort.

The stylist arrives at Olivia's house with a set of outfit for her.

Olivia tries on the outfit in the comfort of her home & the stylist guides her choices when she request his/her help.

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- Most people felt this service was too fancy and thought it would be costly to implement
- The only positive feedback was that it would be great for the elderly or disabled

In-Store Stylist



Thene sees that AEO has a free styling service.



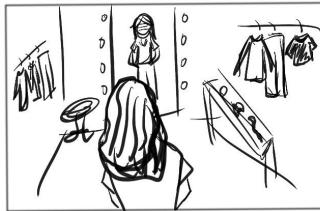
She asks the associate how she can get styled.



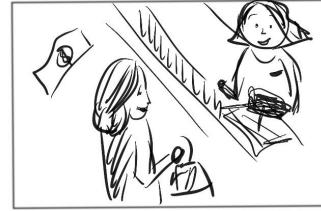
The associate prompts her to take a quick survey



Upon completion, associate puts together outfit based on her preferences.



Meanwhile, Thene is shopping around.
Thene tries on the outfit and the stylist lets her know how each piece is versatile



Thene loves the outfit and buys all of it.

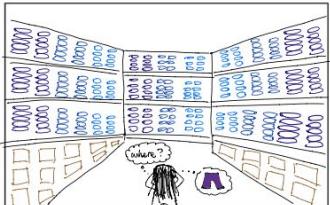
- People liked the idea of styling, but they were unsure about the associate's ability to style them
- People also were concerned about the length of the survey- this might be a barrier to entry

9.1 Storyboards

Smart Shelf

Title Smart Shelf

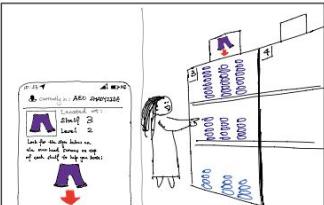
Name Team 11 - Michael Xieyang Liu



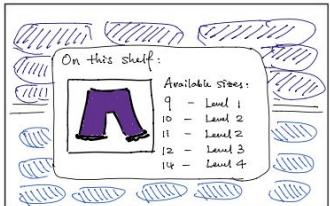
Sara likes to pre-shop on her phone and then go to the store to try clothes on. But she often has trouble locating the items in-store.



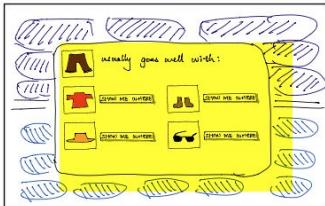
One day, when she entered the store, she opened the AEO app on her phone, found the item she looked for, and dictated "Show me where" button.



She then used the signs on the overhead screens mounted on top of each shelf to quickly locate the pants she looked for, and dictated "Show me where" button.



Sara wanted to get some extra sizes before she goes into a fitting room. She used the touch screen to quickly check the available sizes and on which level instead of going through each piece of item herself.



Sara also checked the style recommendations presented on-the-touch screen, and used the overhead screens to locate additional items that the smart shelf recommends.



Sara ended up buying a lot more clothes than she planned, and went home a happy customer.

- This was one of our hesitated ideas, but we decided to test anyway. Most people felt this was not great since they can easily ask the associate.
- Smart shelves that indicated size was also unconventional and does not solve the problem of fitting.

Online Survey & Book Appointments

Title Online Survey / Browsing Website Name Nicole

Michael needs to buy new clothes for season changing.

He wants to search online first, brand AEO comes to his mind.

Michael opens AEO website. He was attracted by Free Stylist Service banner and click in.

To begin the service, Michael needs to do is to pick up his favorite stylist.

Next, Michael finishes his survey to set up his profile for future clothes recommendation.

Michael makes a schedule online to meet his stylist the first time in a AEO store near to him.

- The use of a survey seemed like a barrier to entry, people responded with statements like: "might use if there was an incentive (coupon, discount), might need some additional push".
- Others appreciated having personalization, while some were concerned with the credibility of the associate/ambassador to style.

In Store Personal Stylist

Title IN STORE PERSONAL STYLIST

Name TEAM 11 - JANICE CHEN

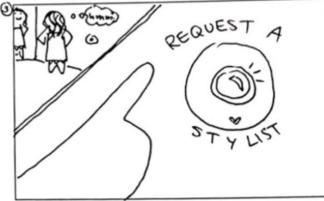


Nellie likes to shop in store

but usually have trouble finding items
that fit her style. It doesn't help
that she hates looking for her size too.



one day, when she shopped &
found one piece she loved, she took
into the fitting room.



She loved it but needed suggestion
on what other pieces could make
an whole outfit. So she pressed request
for a stylist.

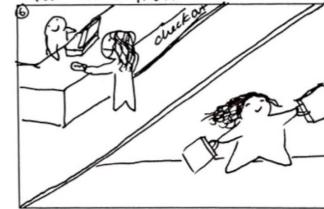


A personal stylist comes and chats
w/ Nellie to discuss what style,
size, budget she wants.



Nellie's stylist brings couple of
different pieces for her to try on.

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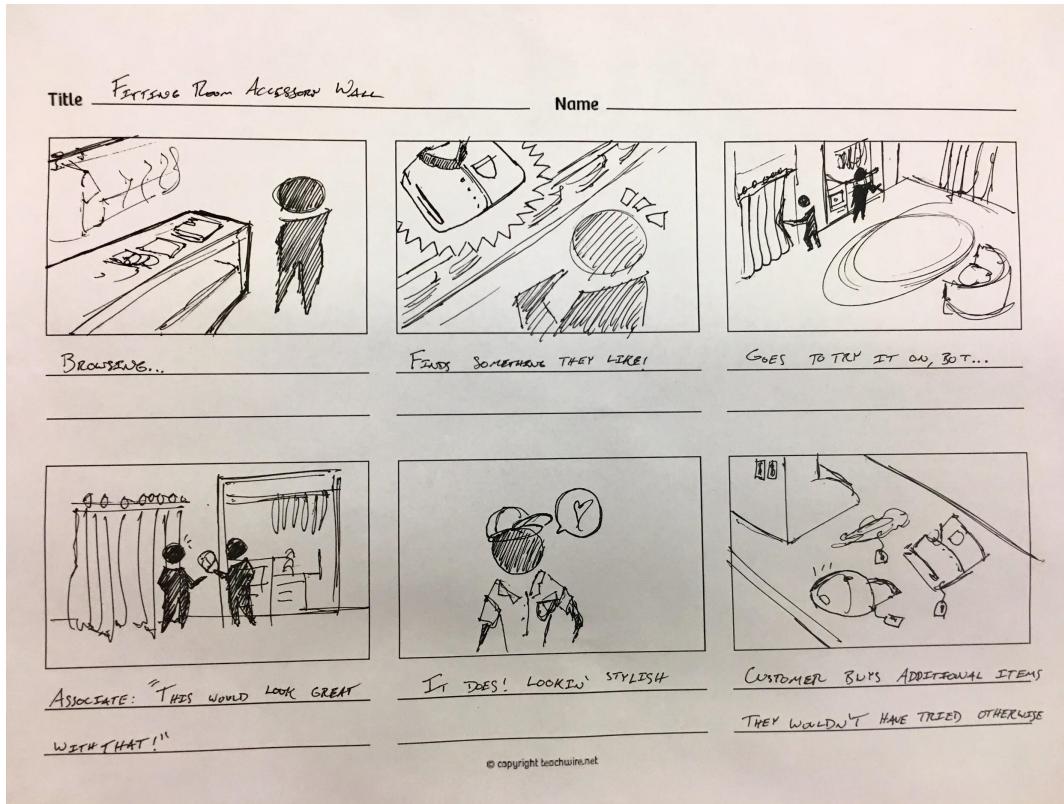


Nellie chose + purchase
the pieces that
she liked and went home
a happy customer.

- People liked the idea of styling, but they were unsure about the associate's ability to style them
- People also were concerned about the length of the survey—this might be a barrier to entry

9.1 Storyboards

Fitting Room Accessory Wall



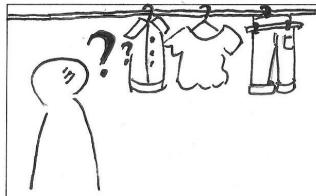
- People liked this idea because they don't think of buying accessories or complimentary items a lot.
- However, some were unsure how it could be tried on.

9.1 Storyboards

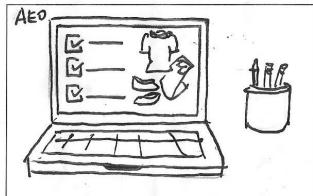
Stylebox

Title AEO Stylebox

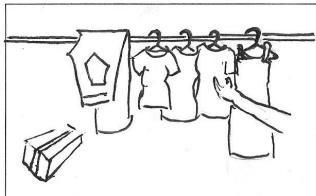
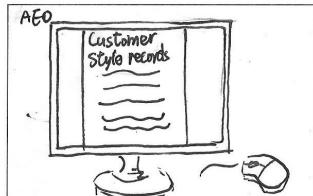
Name Qianhui Sun



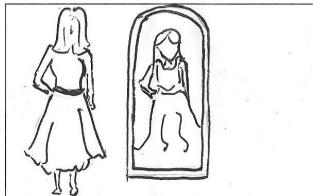
I want to try on a new look but am too busy / lazy to get to a store, my size, style and preferences.



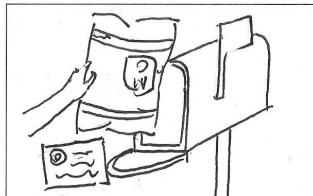
I filled the online survey of AEO about AEO gets my style preferences and pull out my data history (if any)



A stylist from AEO picks them and mail to me as AEO stylebox



I keep the clothes I like after trying them on at home.



I returned the clothes I didn't like in a pre-paid sealed envelope.

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- This got some good feedback— it could help AE understand customers better with data
- People had the same concern with the accuracy of style and fit.

Speed Dating Findings

- People want to have better style
- Customers may interpret associate help as intrusion
- Satisfactory suggestions for styles could build credibility
- Returning is annoying for customers

Because of our findings, we felt compelled to change direction.

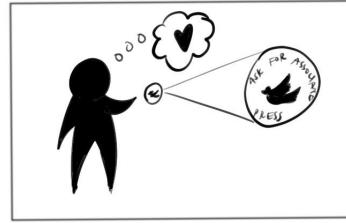
Accessory Wall & Digital Display



Nelly sees a display when she leaves the fitting room. (after trying on clothes)



She can view different outfits/ mix and match pieces.



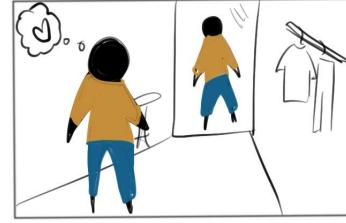
Sends the outfit to the associate to bring to her in fitting room.



While she is waiting, she sees the accessories are on the shelf.



Associate brings the outfit for her to try on.



Nelly goes back into fitting room & loves the outfit!

- This was the final storyboard we tested after getting feedback from speed dating
- This idea is the combination of the accessory wall and digital display that could help customers mix and match outfits
- Most people responded positively, saying this was new and exciting!

10. Final Problem Space:

Exposing Social Shoppers to Accessories

Exposing Social Shoppers to Accessories

From speed dating findings, **customers don't think associates have credibility to style customers.**

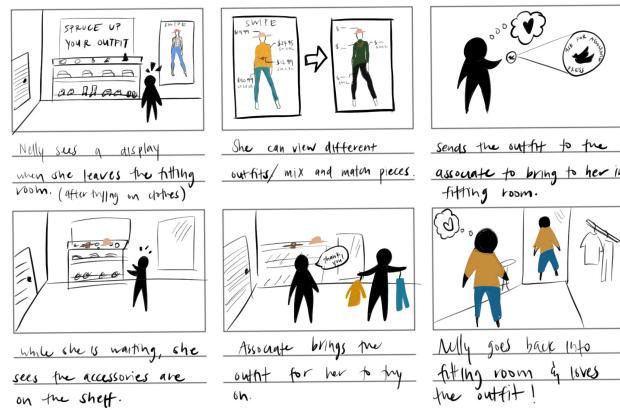
We don't consider associates styling for customer anymore both in-store and out-store. Since people love to be styled but not with associates, which made us shift our focus from associate-customer styling into **customer styling for themselves.**

Also, findings of speed dating show people really like the idea that AEO provide an accessories wall around fitting room area, which is a convenient path for customer styling themselves after trying new clothes on.

To combine these two insights, our final problem space is exposing social shoppers to accessories. Customers could get a good use of accessory provided by AEO around fitting room area to have a instant and effective styling on their own or inside the group.

Understand the Audience

Our focus is on more casual, social shoppers in a mall context. American Eagle is part of a series of stores they enter in a shopping session, and they often go with friends or family either to socialize or to provide counsel. As such, **they aren't necessarily loyal to the AEO brand, but they are more willing to listen to their friends and provide styling suggestions when shopping.**

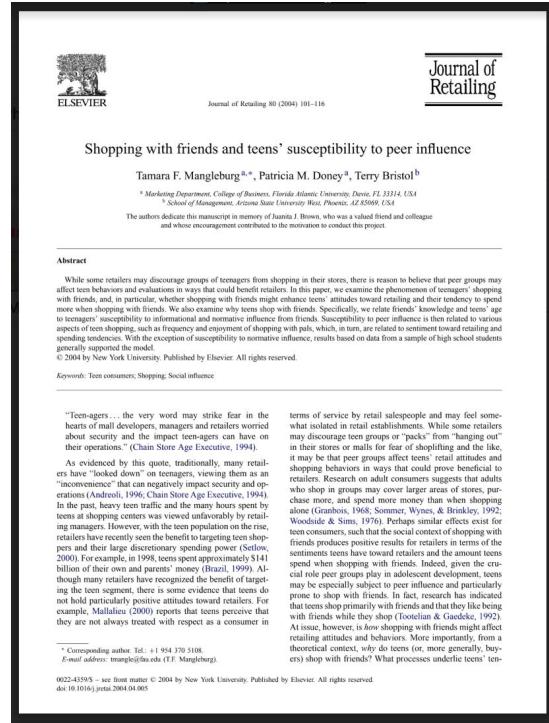


Proof that More Purchase in Group Shopping

A research from *Journal of Retailing* shows that **teens' enjoyment of shopping with friends will be positively associated with teens' tendencies to spend more when shopping with friends**, and that teens' tendency to shop often with friends will be positively associated with the tendency to spend more money when shopping with friends.

Reference:

Mangleburg, T. F., Doney, P. M., & Bristol, T. (2004). Shopping with friends and teens' susceptibility to peer influence. *Journal of retailing*, 80(2), 101-116.



The image shows the cover of a journal article from the 'Journal of Retailing'. The title is 'Shopping with friends and teens' susceptibility to peer influence'. The authors listed are Tamara F. Mangleburg, Patricia M. Doney, and Terry Bristol. The journal is published by Elsevier, and the volume is 80, issue 2, with page numbers 101-116. The cover includes a small illustration of a person shopping and the Elsevier logo.

Abstract

While some retailers may discourage groups of teenagers from shopping in their stores, there is reason to believe that peer groups may affect teens' motivation to shop. In this paper, we examine the effect of teenagers' shopping behavior on their peers' shopping behavior. We also examine why teens shop with friends. Specifically, we relate friends' knowledge and teens' age to teenagers' susceptibility to informational and normative influence from friends. Susceptibility to peer influence is then related to various shopping behaviors, such as frequency and enjoyment of shopping with pals, which, in turn, are related to sentiment toward retailing and spending tendencies. With the exception of susceptibility to normative influence, results based on data from a sample of high school students generally support the model.

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Keywords: Teen consumers; Shopping; Social influence

"Teenagers... the very word may strike fear in the hearts of mall developers, managers, and retailers about security and the impact teenagers can have on their operations." (Chain Store Age Executive, 1994)

As evidenced by this quote, traditionally, many retailers have "looked down" on teenagers, viewing them as an undesirable segment that can damage sales and reputations (Anheier, 1994; Chain Store Age Executive, 1994). In the past, heavy teen traffic and the many hours spent by teens at shopping centers was viewed unfavorably by retail managers. However, with the teen population on the rise and the recognition given to the benefit to targeting teenagers and their large discretionary income power (Sullivan, 2000), for example, in 1998, teens spent approximately \$14 billion of their own and parents' money (Brazil, 1999). Although most retailers have recognized the benefit of targeting teen shoppers, there is some evidence that teens do not hold particularly positive attitudes toward retailers. For example, Mallalieu (2000) reports that teens perceive that they are not always treated with respect as a consumer in terms of service by retail salespeople and may feel some reluctance to make purchases. While some retailers may discourage teen groups or "packs" from entering in their stores or malls for fear of shopping and the like, it may be that peer groups affect teens' retail attitudes and shopping behavior in ways that could be beneficial to retail. Research on adolescent buyers suggests that adults who shop in groups may cover larger areas of stores, purchase more, and spend more money than when shopping alone (Gronlund, 1967; Hirschman, Wyer, & Binkley, 1992; Wiles, 1988; Sora, 1970). Perhaps similar effects exist for teen consumers, since the social context of shopping with friends produces positive results for retailers in terms of the sentiments toward retailing that these teens express when shopping with friends. Indeed, given the crucial role peer groups play in adolescent development, teens may be especially subject to peer influence and particularly prone to shop with friends. This research has indicated that teens shop primarily with friends rather than shopping with friends while shopping alone (Totolian & Goshcke, 1992). At issue, however, is how shopping with friends might affect retailing attitudes and behaviors. More importantly, from a theoretical context, why do teens (or, more generally, buyers) shop with friends? What processes underlie teens' intentions?

* Corresponding author. Tel.: +1 954 370 5108.
E-mail address: tamagi@bus.fau.edu (T.F. Mangleburg).

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doi:10.1016/j.jretai.2004.04.005

Statistical Research

The choice of accessories could be an important part of styling. According to Statistical Portal, revenue in the Accessories market amounts to **US\$57.909m** in 2018. The market is **expected to still grow annually by 1.6%** (CAGR 2018-2021). Currently, AEO has been a market lead in selling jeans, but perhaps not doing as well in selling accessories and styling, and there is a huge, untapped resource, which is the social shopper. Therefore, our vision is to facilitate those co-shoppers as a styling guide for their friends.

Accessories Data Categories

Category Group	Class
Bags	Handbags, Totes, Backpacks, Duffle Bags, Sport Equipment Bags, Messenger Bags, Briefcases/Attaches, Laptop Bags, Fanny/Waist Packs, Diaper Bags
Luggage	Suitcases, Garment Bags, Luggage Sets, Travel Toiletry Cases
Jewelry	Earrings, Rings, Bracelets/Anklets, Chains/Necklaces, Pins/Brooches, Jewelry Sets, Cufflinks/Tie Tacks/Tie Bars, Body Jewelry
Watches	Casual Watches, Dress Watches, Sport Watches, Other Watches
Sunglasses	Fashion/Everyday Sunglasses, Sport Sunglasses, Sport Goggles, Other Sunglasses
Small leather goods	Wallets, Change Purses, Wristlets, Credit/Business Card Cases, Money Clips, Checkbook Holders, Cosmetic Bags, Lipstick Cases, Mobile Phone Cases, PDA Cases, MP3 Player Cases, Passport Cases, Key Cases/Chains, Planners/Organizers, Eyeglass Cases
Other accessories	Knit Gloves/Mittens, Leather Gloves, Belts (Leather, Non Leather), Umbrellas

11. Final Proposed Solution: **AEO CO-LAB**

Defining elements of AEO CO-LAB

"Accessories"

- ✓ - HATS
- ✓ - Belts
- ✓ - Shoes
- ✓ - Shirts
- T.O. - Socks for try on
- ✓ - Sunglasses
- T.O. - tights / leggings
- bags
- Hair accessories

-Jewelry

- ✓ - Seasonal items
- Kimono

STYLE LAB

SHOES

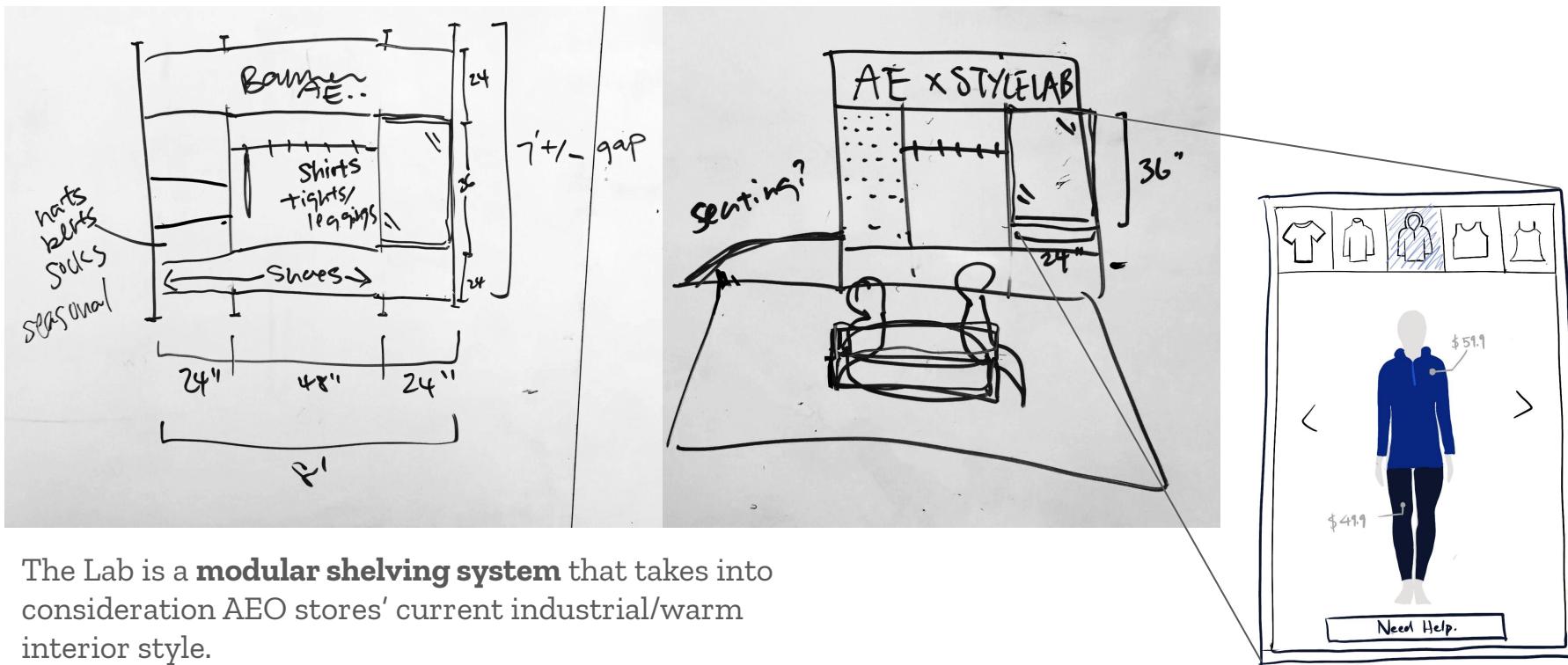
Taking AEO's list of accessories and narrowing down to those that fit the concept and were most relevant to the fitting room.

STYLE LAB

- Physical wall = Style Elements
- Digital Display = AEX ME campaign + Design your own look

We decided the key components that would go into the Lab and digital display.

Coming up with AEO CO-LAB



11.2 How it works



11.2 How it works

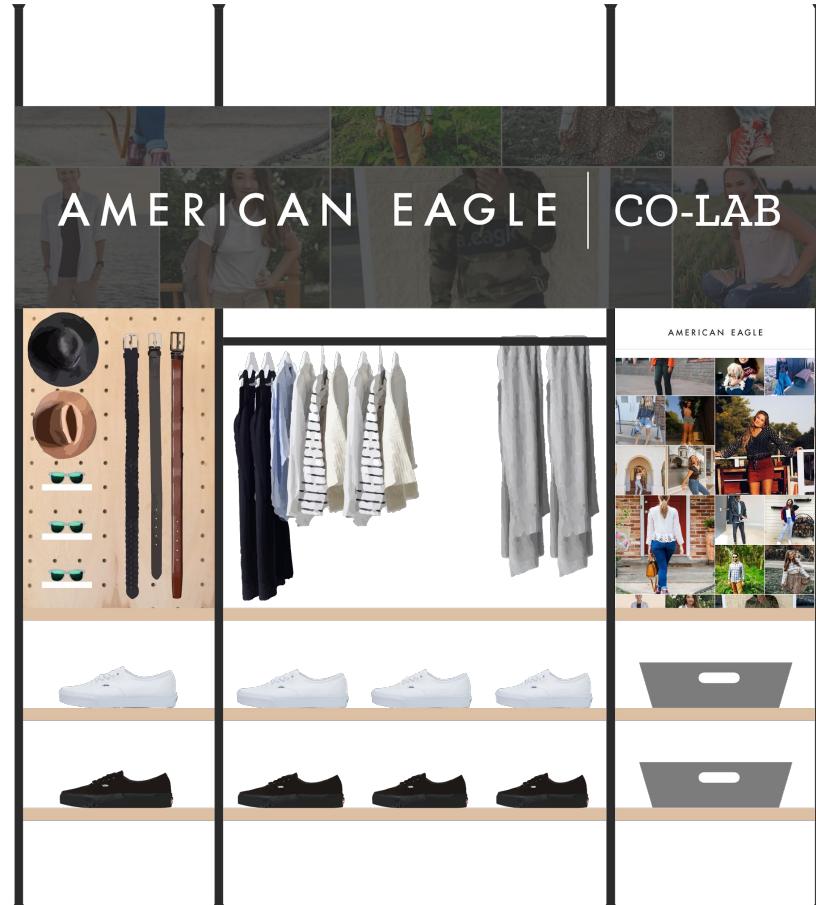


Imagine you and your friends come into the store, you will do some shopping together, and head over to the fitting room to try on your clothes. Your friends goes into the fitting room while you just wait for them outside.

With CO-LAB, instead of waiting, your friends can scan the clothes before going into the fitting room. You could swipe through and pick out accessories that go well with the clothes and jeans that they are trying on. When your friend comes out of the fitting room, you can recommend the accessories for them to directly try on. If they like it, they'll buy it along with their new outfit.

CO-LAB

- Modular shelf
- Flexible to change according to each store's needs and layout
- Incorporate AE x ME campaign
- Only need basic upkeep by sales associates



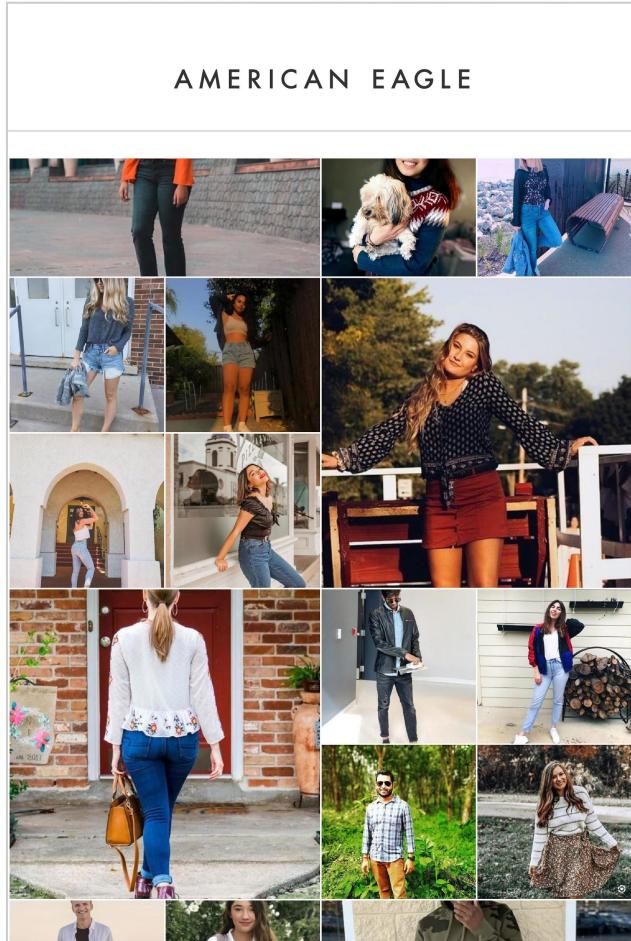
CO-LAB

small accessories
"essentials:"
black & white tees,
leggings.



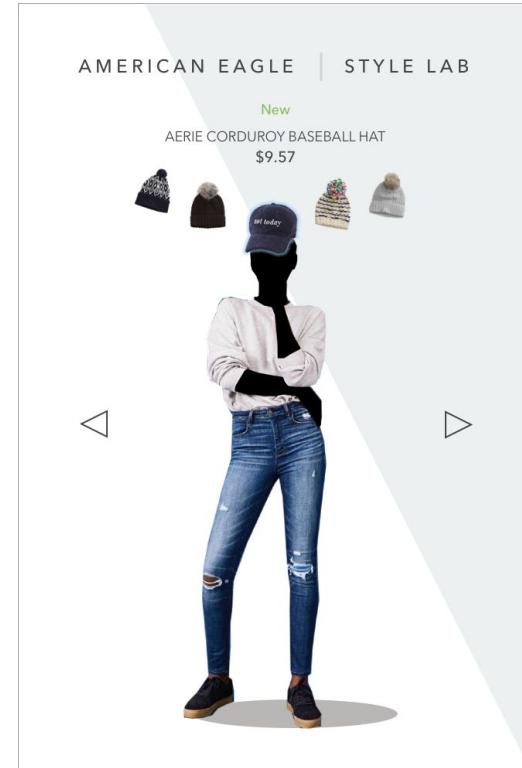
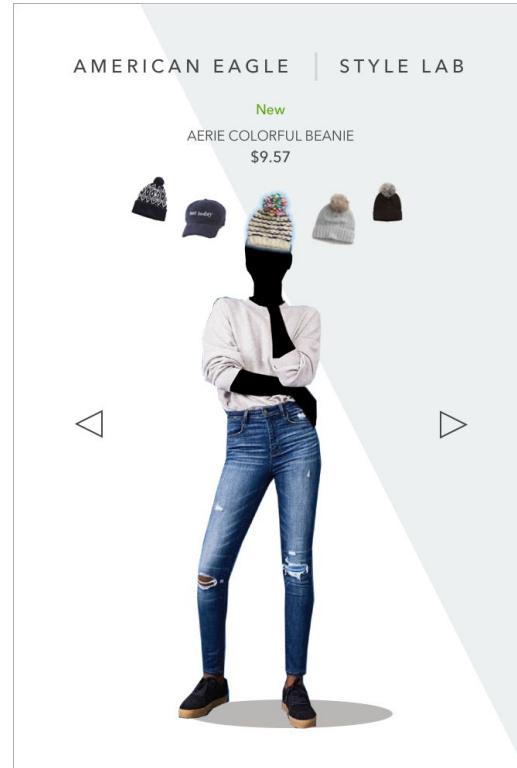
Interactive Digital Display

- AE x ME campaign integration, images featured are pulled from posts using the #AE x ME hashtag
- Digital lookbook with social media influencers
- Let customers find inspiration from others
- Allow customers to participate with hashtag as well

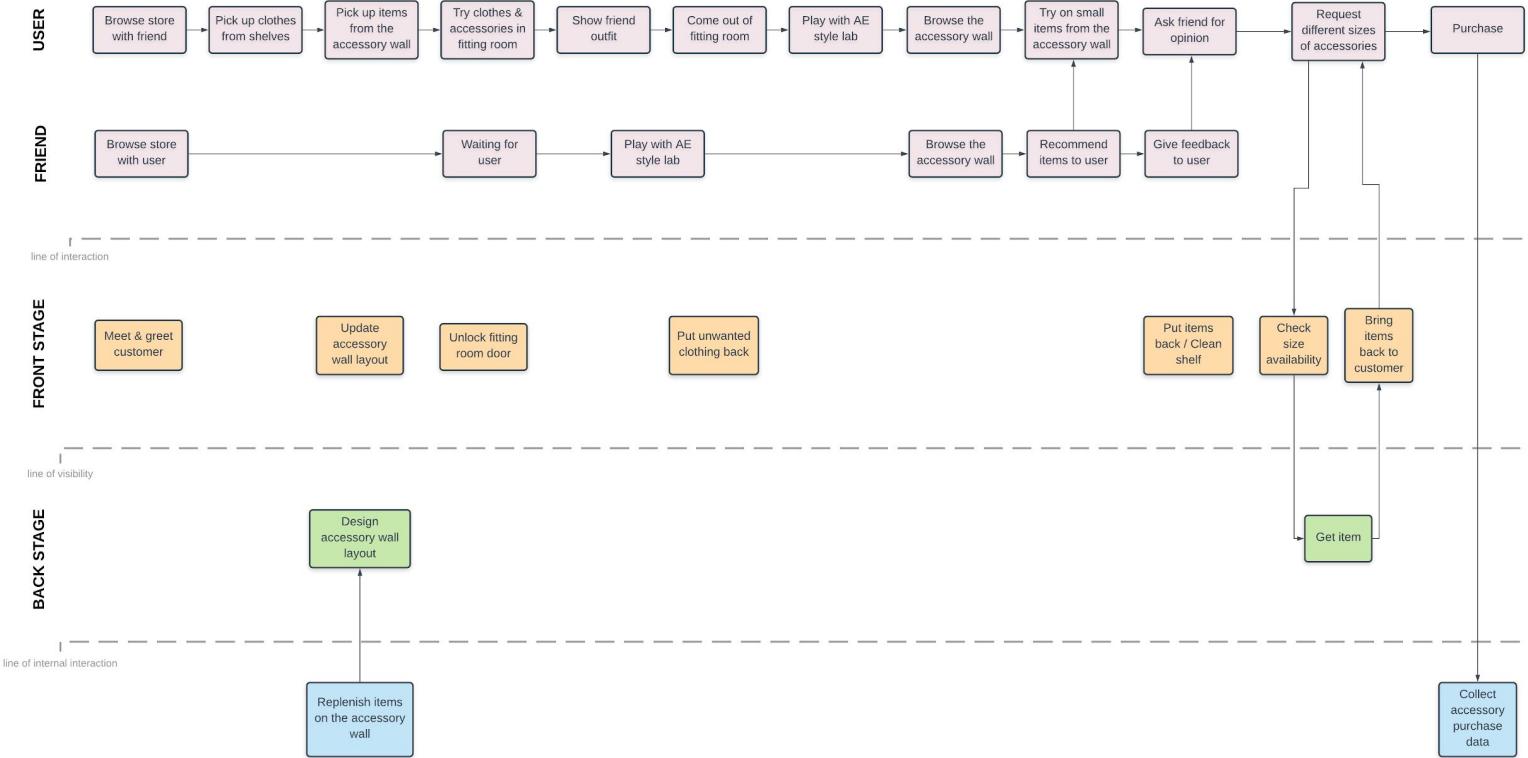


Interactive Digital Display

- Scan product to see how it will look with other accessories
- Simple swipe motion to look through different AEO products
- Contains both online and in store products
- Sales Associate can help with finding products in store or ordering online



AEO CO-LAB Service Blueprint



Value for Customers

Style you trust

- Those who know you best can help you style and build your outfit

Experiment with style

- Try new things without feeling like you are being sold to by an associate
- Explore without limitation
- Get inspiration from others like you on the display

Value for AEO

Increased sales

- More products like accessories sold means more revenue for AEO
- Help Sales Associates meet their sale quota

Customer acquisition

- Let loyal AEO customers bring their friends and family into the stores, convert them into loyal customers as well

