A Work Project, presented as part of the requirements for the Award of a Master's degree in International Management from the Nova School of Business and Economics.

ASSESSING THE POTENTIAL OF ONLINE PERSONAL STYLIST SERVICE BRANDS IN SOUTHERN EUROPE:

A FOCUS ON THE BRAND LOOKIERO IN ITALY, SPAIN, AND PORTUGAL

EUGENIA MARZANO

Work project carried out under the supervision of:
Professor Catherine da Silveira

04-01-2021

Abstract

Digital innovation is reshaping behavior and expectations of fashion consumers worldwide. They demand better products and services, digital, personalized experience. Leveraging on these trends, new fashion brands are rising, exploiting new technologies and social media. Among new business models, online personal stylist service is a peculiar one. By combining multiple research techniques, this Work Project analyzes its potential in Europe. A specific brand, Lookiero, is considered, being the most relevant one in Europe. The insights collected allow us to identify implications for this business model and specifically for Lookiero.

Finally, for both, we offer recommendations to expand in Southern Europe.

Keywords: Fashion Business Models, Fashion Subscription Models, Online Personal Stylist Services, Lookiero

Acknowledgments

I would like to sincerely thank Professor Catherine da Silveira for the guidance and the feedback she offered me during the process of writing this thesis, but also for the support she offered me throughout all my Master Experience. Her expertise, kindness, her being demanding was essential to encourage me to work harder.

I would like to continue by thanking Lookiero's collaborators for accepting to be interviewed. On the same note, I thank all the women that accepted to be interviewed and were available to share with me their experiences and their thoughts. Finally, I would like to thank my mum, for her encouragement and her love and my close friends for the support throughout this journey.

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209)

I. Table of Content

For the list of tables and figures please check Appendix 1

1.Introduction

Digitalization is significantly reshaping the fashion industry. Consumers are empowered by the extensive use of social media and digital devices. They are craving newness and demanding better service, better quality, and better prices as well as personalized experiences, transparency, and a deep connection with the brand from which they buy (McKinsey,2019). Leveraging on these trends and exploiting digital opportunities, new fashion business models are arising (McKinsey,2020). Among them is the online personal styling service, a peculiar model, which has spread worldwide.

The aim of this Work Project (WP) is to analyze the development of this new model in Europe, as we found there is a lack of analysis within the existing literature. This service is not popular within Europe, and, after thorough analysis we selected the online personal stylist service brand Lookiero as a suitable model for analysis. Lookiero offers everyday clothes and operates in the European Market. We will analyze the gap within the market this service is fulfilling. We had the opportunity to contact Lookiero's managers from which an interesting challenge arose; assessing the opportunities in which Lookiero could expand within the European Market. Lookiero's Product Chief Officer explained that the Lookiero business is facing the challenge of trying to better understand how to serve its customers. The company also believes that the most appropriate strategy would be to step into a new customer segment. Among all the countries Lookiero operates, the focus of this project is on Italy, Spain, and Portugal. Due to my own personal connections, it made it easier to find respondents for the qualitative interviews in these countries. To address the WP topic, apart from secondary research, several research techniques are used to segment Lookiero's users. An analysis of the Consumer Decision Journey (McKinsey,2015) was carried out aiming at understanding consumer behaviors towards the online personal stylist service as well as analysis of consumption habits toward fashion purchases. This project's contribution is to evaluate the potential of this new service and the potential expansion of the specific brand Lookiero in Southern Europe. Finally, recommendations are provided to the business model and to Lookiero on how to better serve and increase their customer base.

2. Contextual Background

2.1 Fashion Industry – Current landscape

The fashion industry was driving a significant part of the global economy before the COVID-19 Pandemic. It has grown exponentially over the last years. In 2018 there was a growth of 4 to 5 percent (McKinsey, 2019). However, the industry is becoming extremely concentrated and the growth is polarized. In terms of economic profit, the top "20 winners" represent 97% of the total value of the fashion industry (McKinsey, BoF, 2020) and consequently more and more players are struggling to generate economic value (McKinsey, BoF,2019). The 20 "winners" range from fast fashion to luxury - Nike, Inditex, and LVMH occupy the top three places (See Appendix 2). However, fast fashion giants and the others big players are becoming almost too big to relate to. They have created empires containing huge stores which lack of personality and that have become disconnected from the consumers (BoF, McKinsey, 2019). Among the 20 "winners", fast fashion players deserve specific attention. The fast fashion economic phenomenon is based upon inexpensive, quick production and sale, high volume, and consumption (Fletcher, 2010). Consumers crave newness, making speed-to-market and fast responses to consumer needs critical success factors (McKinsey, BoF, 2019). However, this strategy has its drawbacks. This business model has proved to harm the environment and society, leading more consumers to rethink their shopping expenses (Gazzola et al., 2019). The pandemic has even amplified public awareness of the social injustice in the supply chain (McKinsey, BoF, 2020). The world's top three Fast fashion retailers, H&M, Inditex and Fast Retailing co. are facing challenges in Europe and the US; owning too many stores and facing changing consumer habits (Shannon, 2017). Furthermore, this landscape shows increasing price pressure, leading to a saturated market in which companies find hard to differentiate their offer, and struggle to provide unique products (Huber et al. 2008).

A main change within the market is the growing digitalization. The fashion industry is increasingly interconnected with the digital world. Platforms such as Zalando, Amazon, and Farfetch provide an infinite product offer, that is impossible to find in a brick-and-mortar store (Ozuma,2020). Online platforms are growing, becoming the first point of contact for more consumers who are attracted by convenience and large choice (Chitrakorn, 2017).

2.2 New Trends in the Fashion Industry

Consumers nowadays are prioritizing experience over tangible goods, meaning that consumers do not care as much for the product itself but for the whole consumption experience (Holder, 2019). It is therefore becoming more relevant for companies to offer additional value than simply the value of the product (Holder, 2019). Consumers are now provided with the opportunity to easily compare thousands of products; This results in consumers becoming more selective and demanding. Consumers are concerned about their image and the perception surrounding the goods they buy. They want to **interact**, belong to, and have an impact on the brand from which they buy, as well as feeling a part of a **community**. Their role "has shifted from one of passive observance to enabled **dominance**" **(**Lay et al., 2018, p.1). Furthermore, studies show that, nowadays the **experience of others**, comments and reviews, largely determines and influences the purchase decision (Dasteel et al, 2018).

Social media is increasingly influencing consumers choices, and this is helping small brands to powerfully grow and expand (McKinsey, BoF, 2019). We found there is a growing role of social media influencers, as consumers perceive them to be more authentic than traditional advertisements (Gazzola, 2020).

Consumers expect a higher level of **personalization** in products, services and throughout their interactions with a retailer (Lindecrantz et al., 2020). We expect this trend to rise, given the millennials' need to express uniqueness and authenticity through style and brand choices

(Walters, 2019). Consequently, consumers are becoming attracted towards small brands with compelling and authentic storytelling and they expect transparency across the entire value chain (McKinsey, BoF, 2019). Footfall in the **physical stores keep declining** as consumers are looking for a complete omnichannel experience throughout all purchasing process. This trend is exacerbated by the current pandemic (McKinsey, 2020).

If **digitalization** was already a priority among fashion industry (Lay, 2018), the importance of digital channels has been highlighted by Covid-19 crisis. Social distancing and lockdowns have elevated digitalization as an imperative across the entire value chain (McKinsey, 2020). Almost a quarter of US and European consumers expect to increase their spend via media and social channels, while crisis pushes 13% of European consumers to browse online e-(re)tailers for the first time (McKinsey, BoF,2020). This change in behavior is predicted to remain once the dust settles (McKinsey, BoF, 2020). The pandemic has also increased attention toward **sustainability** and circular economy. With 15 % of consumers in the US and Europe expected to buy more sustainable clothing (McKinsey, BoF, 2020)**.**

Customers start preferring a shopping experience that is **easy** and fast (Abraham et al, 2019). They are looking for tools and functions which helps **facilitate** the purchase decision (Jonsson et al, 2015). The strategy specialist in luxury, K. Walters, analyzed the **paradox of choice, identified by psychologist Schwartz's research (2005),** among fashion consumers. When consumers are presented with too many options, e.g., Amazon, H&M or Zalando's infinite offerings, it may cause negative effects. First, it can result in paralysis: the abundance of choice makes it too hard for the individual to choose. The second negative effect is known as opportunity costs (products obtain value in comparison to their alternatives): when offered a choice, a product will be compared to all the other available options. This results in unsatisfaction, as other alternatives seem equally good or even better (Schwartz, 2005). Finally, it might not be true that consumers want more but rather they want things to better fulfill their needs (Walters,2019).

2.3 New business models

As a response to these new consumer needs, new players are entering the fashion market. Development of e-commerce favored the rise of many new brands (Kotler et al., 2017), mainly Direct to Consumers (DTC) brands (e.g., Everlane, Werby Parker). DTC brands, supported by digital technology, can easily build awareness. They place customer relationships at the heart of their business strategy, they are based on sincere, often ethical, visions and missions and hold values of transparency and honesty (WARC,2020). Other fashion players are using technology and data at the core of their business and throughout all their value chain. “Fashion tech challengers” (e.g., Rent the Runway) are using data and technology to be a “disruptor” within the fashion industry (McKinsey, BoF, 2019) (see Appendix 3 for detailed information). Some of these DTC brands offer a **subscription-based model** (WARC,2020). In the last five years, the subscription model has risen by more than 100 percent each year (McKinsey, 2018). This is probably due to the rise of subscription services such as Netflix and Spotify. Consumers have become comfortable with buying online, particularly buying unknows products and letting someone contribute to their selection (Pike, 2016). As a result, subscription models have emerged also within the fashion industry (Pike,2016). McKinsey (2018) identifies a peculiar type of subscription service: Stitch Fix, an online personal stylist service (see Appendix 4 for detailed information regarding the subscription model).

2.4 A peculiar business model: the online personal stylist service

Fashion online personal stylist services have popped up in the United States in recent years and recently spread to Europe. The service of personal styling is not new; However, the business model is. Online personal stylist services, thanks to the help of technology, is an attempt to make the personal stylist service, which was once a luxury face-to-face experience, accessible to a wider demographic (Lake, 2018). The fundamental difference of online personal stylist over traditional face-to-face services is Data science and AI. This technology expertise is the key competitive advantage, and its effectiveness is in conjunction with human experts´ contribution that aims at incorporating an attractive component of personalization (Smiley, 2019). In Europe, the most relevant online personal stylist service is Lookiero.

2.4.1 Lookiero. An Overview of the company

Lookiero is an online, subscription-based, personal style service for women founded in 2016 by Oier Urrutia (CEO). Lookiero was created in Spain, but soon started its international expansion in other European Countries: Italy, Portugal, Belgium, Luxembourg and the UK. The startup offers a personalized shopping experience to its customers, by using sophisticated algorithms that are applied to a database of the clients (Butcher,2019).

Table 1 How Lookiero works

1. At first, new users take a "Style Quiz" on the official Website (See Appendix 5), this is a detailed questionnaire which the user provides personal information about size, preferred models and styles, occasions of use, expectation and budget.
2.The information collected is then sent to a personal stylist who, with the help of algorithms, personally selects items from more than 150 brands that could meet the client's preference.
3.The box is sent to the client, who can try on all the garments at home and has three day to decide what to keep and what to return without any additional expenses. For every box ordered there is a personal styling fee of 10 euros that will be deducted if at least one item is purchased. In case the consumer decides to take all the 5 items contained in the box, a 25% discount is applied.
4. When the client decides which garments to keep or return, she will be strongly recommended to provide feedback on all the items, allowing her personal shopper to continue learning through feedback and improve future selection.

Source: WP Author

Lookiero is unique from other subscription boxes, as it allows customers to schedule how often they want to receive the box: every month, twice a month, every six months, or occasionally (on request) without any commitment. As for the price range, client can choose among three different possibility, 30-60 € per item, 60-100€ per item, +100 € per item. Lookiero offers everyday clothes, bags and scarves. The inventory is composed of 150 brand partners (Lookiero Website,2020). Lookiero communicates through social media: Instagram, Facebook, Pinterest, and Twitter it is also using influencers.

2.4.2 Lookiero Mission, Target, Positioning Statement

Lookiero applies a segmentation of its consumers on psychographic elements like lifestyle or personality characteristics and on demographics one (gender, occupation etc.) (Keller, 2012)(check Appendix 6). Below the ***current positioning statement*** of Lookiero.

For busy women from 30 to 45 years old, who have no time but want to dress well (**TARGET**), Lookiero is an online personal stylist service who offers everyday clothing and accessories **(POP)**. A personal stylist chooses five clothes based on each user preferences and deliver it to their home, where they can comfortably decide which items to keep. Thus, offering the most personalized and convenient experience **(POD)**. Because Lookiero is taking advantage of sophisticated technologies and the contribution of expert personal stylist to choose the perfect clothes for each costumer. Lookiero is the first online personal stylist service in Europe (**Reason to Believe)**

Figure 1 Current Positioning Statement of Lookiero. Source: WP Author, based on Keller Positioning Statement (2012)

2.4.3 Lookiero. Competitors

Direct competitors are the ones who offer the same product or service and compete for the same market (Wunder, 2016). No relevant direct competitors are being identified by the company in Spain, Portugal, and Italy. However, as there is the possibility that in the future competitors can expand in these countries, we hereby provide a table of potential competitors, in which we considered the following variables:

Table 2 Main direct competitors of Lookiero

Company	Countries in which it operates	Price range	Products	Styling Fee	*Instagram followers and monthly web visits
Lookiero	**UK, Spain, Portugal, Italy, Belgium, Luxembourg, France**	**30-100€**	**Everyday clothing (Other brands + own production) ***	**10€**	**200K IG followers** **9K monthly website visits**
Stitch Fix	US, UK	25-500$ per item	Day to day clothes. (Other brands + own production)*	20$	818K IG followers 12M Monthly Website visits
Trunk Club	US	40-300 $ per item	Nordstrom brands	25$	354K IG followers 367K monthly website visits
Style plan by Frank and Oak	US and Canada	29-149$ per item	Everyday clothing. From its own brand (Frank and Oak)	25$	107K IG followers 657 K monthly website visits
Wantable Style Edit	US, Australia, Germany, UK, The Netherlands	50-100$ per item	Everyday clothing from other brands.	20$	126 K IG followers 282 K Monthly website visits
Nadine West	US	10-30 $ per item	Everyday clothing from different brands	20$	43K IG followers 430 K monthly website visits
TrendSend by EVEREVE	US	80 $ on average	Everyday clothing from EVEREVE brands	20$	40K IG followers 300 K monthly website visits

*it means that they partner with different brands, but they also produce their own pieces of clothes.
*We used Instagram as a metric, as it is the most popular platform for the fashion industry (Statista, 2019).
Source: WP Author, based on official websites and social media account of the companies mentioned and crunchbase.com

Indirect competitors include those offering different products or services and competing for the same market to satisfy the same customer need (Wunder,2016). Given that Lookiero sell clothes from brands such as Vila, Lee and Only, we can consider indirect competitors to be the brands/platforms that offer similar clothes in terms of price range, quality, and style, and are relevant in Spain, Italy, and Portugal (Euromonitor,2020). We identify Zara, H&M and Mango, to be the main competitors (See Appendix 7). Among e-commerce platforms the most relevant are Zalando, Amazon and Asos (See Appendix 8).

3.Addressing the Work Project Challenge

3.1 Methodology

To gather insights on Lookiero and on Lookiero's users, qualitative interviews with consumers and with Lookiero's collaborators were conducted. To collect more insights, an immersive research and social media listening was carried on throughout the all period of research.

In depth interviews with consumers: The primary data for this project includes a Qualitative Research, more specifically, 27 one-to-one in-depth Interviews with consumers of Lookiero. Some were conducted in person while others via Skype given the restrictions due to Covid-19 and geographical limitations. All the interviews were conducted in an informal environment following a common interview guide (Appendix 10). A **pre-recruiting questionnaire was elaborated** (Appendix 9) to select participants that had to match the following criteria:

- Have ordered at least one box from Lookiero;
- Have been living in Portugal, Spain or Italy for the last three years.

These interviews took approximately one hour and were recorded with the interviewees' permission and subsequently transcribed. The objective was to collect different perspectives, a broader knowledge on the brand, consumers perception towards it, to understand the consumer decision journey and their shopping habits. The topics has been used to identify segments and draft a pattern analysis.

Table 3 Research methodology for in depth interviews: Sample, topics and analysis

Sample	*Topics*	*Analysis*
N= 27 Female **Age** 19 aged 30-45 3 aged 20-30 5 aged >45 **Country** N=15 Italian N=7 Portuguese N=5 Spanish	Consumer Decision Journey Fashion Consumption Habits: common retailers, comparisons, and perceptions Perceived quality and prices of the clothes Perceived quality of the service Motivation behind trying Lookiero Recommendations to friends Frequency of the box purchased and price ranges Respondent profile	Transcription of audio tapes Review of data Definition of frame by topics Content analysis (topic analysis and comparisons of the interview with an excel matrix)

Source: WP Author, based on primary data from qualitative in-depth interviews with consumers

In-depth interviews with Lookiero collaborators. Qualitative interviews were conducted with the former Marketing Chief Officer and the Product Chief Officer of Lookiero via Skype to gain a deeper understanding of the company, following a distinct interview guide (Appendix 11). The interviews were recorded, transcribed, and analyzed.

Table 4 Research methodology for in-depth interviews: Sample, role, topics and analysis

Sample	*Description of their role*	*Topics*	*Analysis*	*Objective*
Product Chief Officer	*"I'm responsible for product management and design and research. I'm responsible for the final product that will be delivered to the customer, I need to understand what the business needs and make sure that we know what the customer needs."*	Aspiration – What Lookiero aspires to do, what they would like to achieve Brand perception Consumer behavior- Target, Satisfaction, Loyalty Competitors Customer experience	Transcription Review of data Content analysis	Segment consumers according to their motivations behind using Lookiero, the behaviour of purchase, image and perception of Lookiero.
Former Marketing Chief Officer	*"I was in charge of ensuring the company was properly communicated to the targeted audience, and I was overseeing the planning and development of the marketing strategy. "*			

Source: WP Author, based on primary data from qualitative N=2 in-depth interviews with Lookiero employees

Immersive research: To complement my own analysis, I decided to personally experience the brand. Being a Lookiero's subscriber for two months, I wanted to have access to first-hand information and a greater understanding of their service, in particular:

- Quality and price of the clothes;
- Service (shipping, return, customer service etc.);
- Communication;
- Ability of the personal stylist to meet my preferences;
- If and how Lookiero impacted my consumption habits.

Physical artefacts such as pictures, cards and items are held, to ensure reliability of the WP (Yin, 1994) (Appendix 12). Lastly, I followed Lookiero through its **Social Media** account on Instagram and Facebook, to regularly check (every 3 days) from 10 October 2020 to 10 November 2020 their social media content. In addition, on the same period I regularly checked three different Facebook groups (Lookiero Portugal, Spain and Italy).

Table 5 Research Methodology: Social Listening

Social Listening	**Description:** analysis of social media conversations regarding Lookiero in 3 different Facebook groups. The main goal was to collect consumers' insights/opinion on Lookiero. **Period collection:** 10 October-10 Nov **Objective:** to extract authentic perception and opinions on Lookiero; identify motivations and purchasing drivers.

Source: WP Author

Consumer decision Journey - As a guide to conduct and analyzed in depth interviews with the consumers, the Consumer Decision Journey by McKinsey (2015) was selected as an appropriate model to understand how consumers are making decisions. The consumer decision journey is a sophisticated framework introduced by McKinsey (2015); it is a circular journey with four stages: *initial consideration*, *active evaluation*, *buy*, experience and advocate, *post-purchase*.

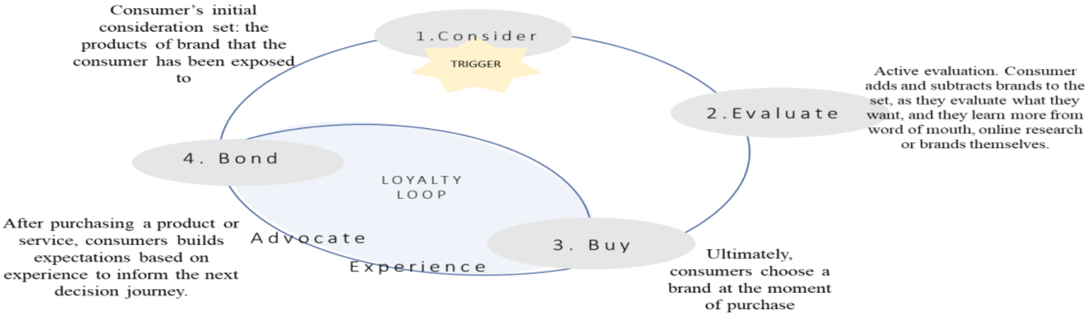


Figure 2 McKinsey Consumer Decision Journey. Source: The New Consumer Decision Journey (McKinsey and Company 2015)

The post purchase experience deserves particular attention: it shapes consumers opinion for every future decision in the category (Dierks,2017). This means that if consumers bond is strong enough, consumers enter in the loyalty loop; they will repurchase the brand without cycling through the earlier decision journey stages (Da Silveira,2020), (For further information on the Consumer Decision Journey, see Appendix 13).

3.2. Main Insights

Through the different research techniques, several key insights were extracted. First, we present the proposed consumer segmentation. Secondly, we illustrate an in-depth analysis of the consumer decision journey for the segments identified, to clarify their main needs and wants. Finally, we present insights common to both segments. Throughout the chapter, quotes retrieved from the interviews are included to clearly show interviewees' point of view.

3.2.1 Proposed consumer segmentation

Two different segments were identified: **Busy Women and Experience Seekers.**

Lookiero is targeting **busy** businesswomen from 30 to 45 years old, who like to dress well but have no time do shopping.

"Our target is Busy Women from 30-45 years old. We want to help them; our goal is to make their life easier. We want to offer them an experience that is convenient. Someone who pick the clothes for you, pick up for you the return box, trying to make the overall experience as easiest as possible." (Marketing chief officer)

However, from our analysis of the in-depth interviews, which helped to draw patterns of similarity among respondents (based on behavior, decision-making, and usage of the products), it emerged that another segment was interested in Lookiero: The **Experience Seekers.**

The segmentation process was largely based on the main reasons raised by the interviewees for subscribing and on the similar patterns found among the interviewees.

Table 6 Segments identified through the qualitative research (N=27)

Busy Women 16/27	Experience Seekers 11/27
They chose to subscribe because they needed **guidance and/or time saving.**	They chose to subscribe because they want to get to know **new brands**, try a **different experience** and service (desire for variety).

Source: WP Author, based on the in-depth interviews

Alongside interviews, **the shopping habits**, in offline and online retailers were analyzed to provide a deeper understanding of consumers' habits (of their needs and wants) and to investigate Lookiero's competitors. We identified two different shopping attitudes: **women who don't like/do not have time to do shopping, and women who do enjoy shopping**.

Table 7 Analysis of the shopping habits, retrieved from the in-depth interviews with the consumers

MAIN REASONS WHY	
THEY DON'T LIKE / DO NOT HAVE TIME TO DO SHOPPING	**THEY ENJOY DOING SHOPPING**
OFFLINE	**OFFLINE**
Brick and mortar stores are too messy, noisy, so they get **stressed.**	It is a way to relax (shopping therapy).
The **staff** of the stores are not helpful	In the stores, especially in the small one, they can ask for advice.
Shopping in the stores is **time consuming** (Shopping mall/ preferred stores are far away, waiting lines, too much time to try and choose)	They enjoy the moment of shopping with friends (it is funny).
Too much merchandising on the shelves, and they all look similar.	They like to try, touch, and feel the items (fabrics, sizes, shapes)
ONLINE	**ONLINE**
There is too much choice (difficult to choose the right item).	It's a way to discover new things.
Spending too much time looking all the online available stock.	Easy to find what they want, and convenient (in terms of time, service, availability of the items, easiness to compare quality and price among different retailers and/or brands)
The clothes received are not as expected to be.	It's funny, there is a lot of choice.
HOW DO THEY BEHAVE	
They rarely go shopping (less than once per month)	They shop frequently (at least once per month)
OFFLINE	**OFFLINE**
They look for **small boutiques** if they need something different for a special occasion. Are less stressful, they can rely on salespersons help (but more expensive). They usually purchase from their preferred brands, without the will to discover new brands.	They spend quite lot of time in the brick-and-mortar stores, they like to try different things alone or with their friends.
ONLINE	**ONLINE**
They prefer the online channels when they know what exactly what to buy.	They pay attention to new tendencies, they follow different fashion brands on the social media, and they love to browse among fashion brand websites to get informed about new collections. Social media ads intrigued their curiosity.

Source: WP Author. N=27 in-depth interviews with Lookiero consumers

Combining the two segmentations leads to the following frame:

Table 8 Busy Women and Experience Seekers: new frame

Busy Women	Experience Seekers
Who like doing shopping but have no time (6/16)	Who enjoy doing shopping, and especially enjoy fashion related content (7/11)
Who don't like doing shopping (10/16)	Who like all the fashion related things, but they are more demanding in terms of shopping experience. Thus, they mentioned they are not always satisfied with their shopping experience (4/11)

Source: WP author, based on the N=27 in-depth interviews

We can now proceed with the analysis of the Consumer Decision Journey of the two segments (Busy Women and Experience Seekers) while shopping from Lookiero.

Segment 1. Busy Women. Trigger: Since Lookiero is new and consumers are not aware of the existence of this type of service, the majority (11/16) get triggered about Lookiero after seeing the advertisement on Instagram or Facebook. The rest were recommended by family/friends.

Consideration: Busy Women segment considers trying Lookiero for three main reasons:

Table 9 Consideration phase for the segment Busy Women

Motivation	***Quote***	**Opinion regarding their previous shopping experience**
1. Their **body changed**	*«Especially **after the pregnancy** my body shape changed, so I found it hard to find the right clothes, and I needed someone to help me (Busy woman, 30, Italy)*	The majority mentioned that they don't like doing shopping especially in the stores because they feel uncomfortable with their body.
2. They don't have time, and in their free time they prefer enjoying other activities (going to the gym, spend time with friends/family)	*«I live in Peniche and there are no stores near by my house, and with the **jobs and the kids** it's impossible to find the time" (Busy woman, 47, Portugal)*	Shopping online/offline is time consuming. They feel overwhelmed by the huge amount of merchandising available in online platforms, or in big chain stores.
3. They need to renovate their image, have a more sophisticated style for the office or other formal occasions.	*"I need to renovate my wardrobe, and I need someone to help me having a more sophisticated and professional appearance for my new job "(Busy woman, 38, Italy)*	They have difficulty in finding their style. Offline, they cannot rely on the sales assistant help, except in small boutiques where the price might be unaffordable. Online the choice range is too broad. Recommendations are not enough.

Source: WP author, retrieved from N=16 in-depth interviews

Evaluation: Most of the interviewees after seeing the advertisement and being interested in the service, check online reviews to be sure that the service is reliable. They check the Official Website and complete the questionnaire. A majority consider the questionnaire easy, quick, and sometimes even funny (16/16). However, it was mentioned by some of the interviewees (6/16) that although the website is well designed, very simple and clear, it lacks in originality and personality. This has the potential to reduce brand legitimacy, as the brand promises to offer a personalized experience to each consumer yet is not reflected in the design and in the content of its website, that lacks a storytelling, a narrative around it.

"*I would like to have on the website a space for myself, for example an history of all my old purchases, or personalized recommendations by the personal stylist. I was expecting more content on the website.*" (Busy woman, 29, Italy)

Buy: In the buy stage we can identify three main moments:

1. The excitement before the arrival of the box

"While waiting for the box, you have this excitement, you wait for the box with that pathos, the surprise of not knowing what is going to be inside of the box." (busy woman, 45, Italy)

2. The arrival of the box

"When I received the box, it feels very much like Christmas, it was exciting, very funny" (busy woman, 31, Spain)

The majority mentioned:

Table 10 most positively mentioned elements concerning the delivery of the box for the segment Busy Women

Beautiful packaging (14/16),
The box arrived always in perfect condition (14/16),
The nice, personalized letter that comes with every single box with the personal stylist explanation of why she chose that clothes and suggestions on how to combine them (12/16)
Flash cards with all the possible combinations for the items received (12/16)

Source: WP Authors, based on N=16 in-depth interviews

3. The moment of choosing the clothes

From an emotional point of view, we can identify three main feeling:

Table 11 three main feeling concerning the moment of seeing and choosing the items for the segment Busy Women

1**. Satisfaction** when the items reflect their preferences (the clothes fit their style)
2. They have the opportunity to try some clothes that they would have never pick for themselves, but they end up fitting them really well **(unexpected surprise happiness**)
3. If they do not like anything: upset, **disappointed,** or even betrayed (especially 1st box)

Source: WP Author, based on N=16 in-depth interviews.

Regarding the decision of which clothes to keep:

We found that when the consumer is faced with keeping the majority of the pieces (at least 3), they are attracted by the 25% discount and often decide to keep all the items even if they are not fully convincing. Busy Women have proved to be less picky and often to keep/buy the complete outfit because it is convenient (in terms of time and price). However, in this segment, only 2/16 tried the medium/higher **price range.**

"Last time, I loved the trousers, but the shirt was very basic. I thought I should have found something similar but cheaper, so I was undecided, but only the idea of then going around to look for something to pair made me already stressed." (Busy woman, 35, Italy)

Bond: The interviewees who liked the first box that they received (14/16) said they would repeat the purchase. Most of the consumers find it reassuring having their own personal stylist and testified they do not want to change because they created a **connection** with the personal stylist. Additionally, 8/16 have expressed the desire to reach a more direct contact with the personal stylist, without compromising the "surprise effect". Most of the respondents testified through the interviews that they would love to see more products available in the platform: for their kids, other accessories, or night clothes, lingerie and sportswear. A selection of the interviewees mentioned that after buying from Lookiero, they did not purchase clothes from other retailers. Moreover, none of them searched for another brand who provided a similar service. According to the definition provided by McKinsey (2015), they can be considered as Active Loyalist. Also, all of them (14/14) **recommend** this service to friends and acquaintances. Finally, they are likely to repeat the purchase frequently, to do the monthly subscription, and to potentially use Lookiero as a **substitute** of all the other fashion retailers.

Finally, Busy Women appreciated the sense of community created around Lookiero**.** Most of the interviewees love Lookiero's Facebook groups: a real community in which people share what they received with pictures, regularly ask for opinions and feedbacks.

Segment Experience Seekers

Trigger: Experience Seekers get triggered about Lookiero by Facebook or Instagram ads **(7/11).** 4/11 get triggered by family and friends' recommendations.

Consideration: Experience Seekers start considering buying from Lookiero for two reasons:

- They are curious about how an expert would perceive them and dress them accordingly;
- They want to discover new brands, have new inspiration and they like the idea of trying shopping with a personalized experience.

Regarding their shopping habits, the majority (7/11) of the experience Seekers testified they like doing shopping, however 4/11 mentioned that:

Table 12: most mentioned reasons why Experience Seekers were unsatisfied with their current shopping experience

Sometimes it is boring to browse among thousands and thousands of clothes.
In big chain stores, merchandise is too similar. It is hard to find original pieces
Since they care about their style, searching for the right clothes requires a lot of time and effort, so sometimes it is pleasurable to have someone who make this for them.

Source: WP Authors, based on N=11 in-depth interviews

Evaluation: Most of the Experience Seekers like to shop, follow the latest trends, and remain fashionable (9/11). They follow social media influencers, watch YouTube videos about fashion and follow Facebook groups to check other users' testimonials to help evaluate the style of the products offered by Lookiero (originality of the items, uniqueness of the combinations). For Experience Seekers, **product features** are extremely important.

Regarding the questionnaire, some mentioned they would like **the questionnaire to be more precise** in terms of the textiles of the clothes (some mentioned they disliked polyester or preferred more sustainable textiles) or the colors that they would love to receive. From the questionnaire they expected a more in-depth analysis and more personalization on the website.

"Honestly, I was expecting a little more personalization on the website, I would like to understand better who the personal stylists are, what experience they have. The videos they published on Instagram look like commercials. I found it a bit too generic as a brand. Even for the questionnaire, it seems too generalist and superficial. Also, Lookiero should indeed include more brands, and more different styles" (Experience Seeker,38).

Buy: In the purchase phase, three main moments were identified:

Table 13 The three moments of the purchase phase for the segment Experience Seekers

1.Curiosity and excitement before the arrival: they like to guess what the personal stylist will choose for them.	**2.The arrival of the box: Even in this group, the majority mentioned the service is personalized and precise.**	**3.Opening the box: The moment of opening the box is a moment of joy and curiosity to share with friends. 5/11 mentioned that they meet friends to open the boxes together.**
"It's nice to waiting to imagine what is going to be inside, if they guess your tastes. Otherwise, I would have done shopping normally, instead this kind of experience seemed very original." (Experience Seeker,41,Italy)	*the service is good, I like the aesthetics very much. The card with the style proposals are nice and, the box has always arrived in good condition and on time (Experience Seeker,35, Italy)*	*"I also created a sort of expectation before the arrival of the box, all my friends were curious about what I would receive." (Experience Seeker, 36, Portugal)*

Source: WP authors, based on the insights from the N=11 in-depth interviews

When choosing which clothes to keep, we identified that Experience seeker are **less price sensitive than the other segment**. 6/11 of the interviewees from this segment opted for the medium/high price range; But they only purchased the items if they are perceived as original and 100% aligned with their tastes (they are pickier and **on average buy less items in the box than the other segment**). They pay more attention to the **fabric/material** of the clothes.

"The clothes were in line with my style, but I was expecting a bit more particular clothes, not things I might buy everywhere. So, at the end I just kept 2 out of 5 pieces" (Experience Seeker, 35, Italy)

Table 14 Main reasons not to buy the items in the box (in order of most mentioned) – Segment Experience Seekers

The items in the box do not match their **tastes** and their preferences (8/11)
Lack of originality: too simple, they can find the same piece in other stores and cheaper). (7/11)
The colors do not value their skin, body and face. (6/11)
Price & Quality: Quality and materials are not satisfying, and the price is not adequate (expensive). (5/11)

Source: WP Author, based on N=11 in-depth interviews with the consumers (some mentioned more than one reason)

Bond: because this segment tends to enjoy doing shopping, they are more willing to use this service as a **complement** to their usual shopping, to use it to discover new brands, as a fun activity or an experiment to do with friends. Indeed, the majority choose the **occasionally subscription.** All of them (11/11) talked about the experience with family and friends. We found 4/11 looked for similar companies, but none of them found something equal. This means that this group is potentially open to competitors; if we consider the definition provided by McKinsey (2015), we can indeed consider Experience Seekers as Passive Loyalist.

Insights common to both segments

Table 15 Insights common to both segments

The price is fair and reflects the product's quality. The service is superior	20/27 of the interviewees considered the price/quality ratio to be fair. It becomes convenient just if they keep all the 5 items, because of the 25% discount.	*"Price is fair, I mean, I'm sure you can find something cheaper, but considering the quality is really good and the possibility of the 25% discount it can be really convenient. (Experience Seeker, 35, Italy)*
Interviewees consider Lookiero as an experience worth to be shared	Differently from usual shopping, interviewees mentioned the fact that they always talk about Lookiero's experience after or prior the purchase.	*"When I go shopping, online or offline, I don't talk about my purchases with others, but when I receive a box from Lookiero. I ask for opinions to my friends. Also when people compliment me for my style, in that case I explain them all the service"(Busy Woman, 37, Spain)*
Consumers felt lost, due to a blurring notion of who is providing the service	Some of the interviewees expressed doubts as to whether personal stylists were human being or if the choice of the items were made by algorithms.	*"Doubts have emerged as to whether they were really personal shopper or just algorithms, now your perceived the box is personalized but sometimes I don't know, I'm not sure. I don't know how algorithms are sophisticated nowadays." (29, Experience Seeker, Italy)*
All of the interviewees who share the experience with friends/family, mentioned that no one of the people to which they talk were already aware of the existence of Lookiero	All the interviewees that recommend and talk about Lookiero to friends and acquaintances revealed that no one was already aware of the existence of Lookiero, even if they belong to the segment targeted by Lookiero	*"I recommend Lookiero to some friends of mine, to my sister and they were very curious as they have never heard about it before" (Busy Woman, 30, Italy)*
Most of the interviewees mentioned that they discover Lookiero during Lockdown	Because of the lockdown, interviewees spend more time on social media, they discover brands and have more time to search reviews of Lookiero	*The lockdown was an incentive, even because I had more time to be curious about new stuff, also, I wanted to have a cuddle, and be distracted from the bad situation (Experience Seeker, 29, Italy)*

Source: WP Author, based on the N=27 in-depth interviews with consumers

3.2.2 Additional Insights specific to Lookiero

Since secondary data availability regarding Lookiero is scarce, to provide recommendations to the company, we found it relevant to gather more information regarding communication, products and competitors of Lookiero. Using both in-depth interviews, immersive research, and social media listening, we collected the following insights.

Communication: We were able to have a more detailed vision of Lookiero communication tools, useful to understand whether it is effective to reach potential consumers and to retain subscribers. Below is a list of the main channels used in their social media strategy:

Table 16 Social Media of Lookiero

Instagram (around 123k followers in Spain, 55,4k followers in Italy, 24k followers in Portugal, nearly the same content as Facebook, average of 3-5 stories per day)
Facebook (around 330k followers, average of one post per day, with image and text)
Pinterest (2k followers in Italy, 2k in Portugal, 8k in Spain, around 3M monthly visualization overall)

Source: WP Author, based on social media listening

After the user subscribes, Lookiero communicates, with an average of one email every two days, sending fashion advices and asking opinions. None of the interviewees mentions it as an effective tool, that it helped them, or was interesting to read.

Products & Brands: Lookiero gets inventory from its 150 brand partners. A team of professional buyers routinely selects what they think will perform from each brand partner's upcoming collections. Lookiero has also started creating its own clothes. The idea emerged when the company discovered product gaps in the market or when it was not able to acquire specific items at a convenient price (Product Chief Officer interview).

Competitors: According to in-depth interviews with the company, no direct competitors are being identified that operate in Spain, Portugal and Italy. Indeed, Lookiero's main competitors are other retailers who provide products with the same price ranges, style, and quality. **In-depth interviews with consumers confirmed the insight**. When asking the retailers from which they usually buy, the following landscape emerged:

Table 17 : Indirect competitors of Lookiero for the everyday wear category

E-commerce platforms	**Fashion brands (Online and Offline**	**Small boutique/brick and mortar stores**
Zalando 12*, Asos 10, Amazon 8, Yoox 5, Boohoo 3	Zara 16, H&M 11, Mango 10 Benetton 7 Bershka 6, Desigual, Tiffosi, Salsa 3 Massimo Dutti 3	7/27 Interviewee mentioned they go to small boutique in the city, where is more likely that they find the help of the sales assistants. Some mentioned also they like to go to fashion markets (second-hand, vintage markets etc.)

*Source: WP Author, based on N=27 in depth interviews. *Numbers refer to the number of interviewees who mentioned that brand as a brand of preference*

4. Implications & Discussion

4.1. Implication for the business model

Research insights enable us to understand how the online personal stylist service is meeting new trends in the market and new consumer preferences. In-depth interviews confirm the insights from the contextual background. First, personalization is a priority. Interviewees mentioned the shopping experience from most of their retailers of preference lacks personalization. The online personal stylist service is able to offer a digital customized service, built on each consumer's unique need. Secondly, this service addresses the negative effects that emerge from the complexity of choice (**paradox of choice).** We found that the online personal stylist service model takes away the anxiety of the decision-making process for the consumers but still provides them with selected items among which to choose. Moreover, by taking advantage of the subscription model, it responds to consumers' demand for an easy and convenient way to purchase clothes. At the same time, it offers to consumers the sense of a luxurious and exclusive experience.

During interviews, the traditional offline shopping (i.e., in store) has been criticized by some of the respondents. Big chains are perceived as messy and noisy and the merchandise on the shelves lacks originality. Moreover, the role of the sales assistants is merely becoming an operative one. Busy Women feel the pain of not being able to rely on the help of an expert. Consequently, they increasingly prefer small and local stores because they offer better services among which are sales assistant' help and more original items (McKinsey, 2020). However, prices within local stores can be unaffordable, and time is required to go from one store to another. The online personal stylist service offers the possibility of benefitting from an affordable price with a service that was previously an exclusive luxury face-to-face experience. Finally, online personal stylist services are able to create a strong relationship with consumer that keeps growing as many interactions happen between the consumer and the service. Personal stylists understand their consumers' need, because they receive direct information in terms of their preferences when filling out a style quiz at the beginning of their subscription. Additionally, subscribers are willing to provide more and more information and feedbacks (after each order) about the fit and the style of the clothes to the company, as they know that it will improve their future orders. This is a key competitive advantage. Online personal stylist services attain a richer dataset as consumers continue to provide feedback throughout their subscription, resulting in Lookiero continually improving the products they send to consumers. To conclude, research insights demonstrate the existence of a significant interest for online personal stylist services, that has potential to grow in the fashion market. However, 1) consumers in the studied countries are not aware of the existence of this service, and 2) the availability in Europe is scarce. So, we can state that there is a gap in the market.

In the WP we only identified indirect competitors, such as Zara or Zalando. They dominate the fashion market, so, the competition may be fierce. However, we can imagine two possible scenarios. First, fashion brands may become suppliers of an online personal stylist service. Second, big players may decide to acquire a company such as Lookiero, or create an online personal stylist service, and include it in their offering. This is the strategy used by companies such as Google or Amazon to keep leadership in their sector (Moynihan, 2019).

4.2 Implication for Lookiero: Busy Women from 30-45 years old are Lookiero's primary audience. For Busy Women, the experience needs to be quick, easy, and stress-free. They do not have time. But also, Busy Women have difficulty in creating a style for different occasion or they feel uncomfortable with their body (e.g., they gained weight). Therefore, they want someone to help them to value their silhouette and to increase their self-confidence. Our research demonstrated that Lookiero is able to achieve these objectives. Busy Women segment considers Lookiero's service easy and pleasurable. This is confirmed as 4/16 interviewees have completely stopped shopping from other retailers since they subscribed to Lookiero, while the remaining interviewees considerably reduced their shopping from other retailers. Most of them choose the monthly subscription, instead of the occasionally (on request) subscription.

Loyalty among this segment is high, mainly because of the relationship created with the personal stylist. But also because of the convenience of the service, the company's trustworthiness, and the sense of community created around Lookiero. Busy Women can be considered Active loyalist (McKinsey, 2015) because they are not only loyal, but they also advocate Lookiero. Given the relevance of word of mouth in increasing brand awareness and influencing purchase decisions (Dospinescu, 2014), we can reasonably believe that Lookiero has **potential to grow** in this first segment and should **leverage** on it.

However, insights revealed that awareness in Portugal, Italy and Spain seems to be relatively low even among the specific target of Busy Women aged 30 to 45. This is due to the reduced brand penetration, but it may also be partially explained by the ineffectiveness of communications tools. Lookiero uses communication and reaches potential consumers only through social media and its newsletter (which is only sent to registered customers). However, qualitative interviews show that Busy Women do not use social media to inform themselves about fashion news and brands. The consequence is that potential consumers of Lookiero may not had been reached by the brand. Furthermore, many interviewees mentioned that they discover and/or order Lookiero during the lockdown because they had more time to spend on social media, and to search for online reviews. This implies that in non Covid time, they may have not noticed or considered trying Lookiero.

Finally, the analysis suggests that Lookiero is appealing to another segment, the Experience Seekers: women who take fashion risks, enjoy discovering new products and services, look for the latest trends on social media. Although not a specific strategy was pursued by the company to attract this segment, they express interest and a positive opinion toward it. Lookiero meets their need of discovery. Interviewees enjoy the opportunity of discovering new brands and wearing clothes that they would have never chose by themselves. This surprise effect is also what hooks them into the process and makes them more likely to sign up for another box. Furthermore, Experience seekers enjoy the feeling of exclusivity and luxury coming from receiving advices from an expert personal stylist. All these elements contribute to make Lookiero experience meaningful to be shared (with friends, on social media).

Experience Seekers' enthusiasm for the expected service is not always matched by the product received. When receiving the items, Experience Seekers proved to be more demanding in terms of originality, quality, style, and colors of the items. They are less satisfied with the product features: insight shows that Experience Seekers purchase less clothes within each box. They care about the sustainability of the fabric in the products, an element missing in the Lookiero offer. Furthermore, they expected the Style Quiz to be more detailed and complete. They expect more in terms of additional features and services, promotions, and communication, prior and after the purchase. According to the definition provided by McKinsey (2015) Experience Seekers are Passive loyalist: for this segment, the driver is curiosity and self-indulgence. If the box does not fulfill their expectations, they would easily switch to different experiences or brands. To better address this segment's needs and wants, Lookiero should improve the products offering, the questionnaire, the communication, and create additional features to increase engagement and loyalty. However, **by changing the offer, Lookiero may become too sophisticated for the Busy Women segment.**

5. Recommendations

5.1 Recommendations for the business model

Considering the research insights, we provide two main recommendations for any online personal stylist service brand that wants to operate in Southern Europe, based on two main elements. First, since the online personal stylist service is a new model, the main challenge is to make the consumer aware of its existence. Then, research insights show that the key competitive advantage of this business model is the human contribution of expert personal stylists. However, interviews revealed that some consumers doubted about their existence. This may compromise brands legitimacy, making consumers feel betrayed.

Table 18 Recommendations for the business model

Increase brand awareness	**Make sure the personal stylists are perceived as human beings and not as algorithms.**
Consumers in the studied countries are not aware of the existence of this service, so they do not directly search for such a service. Thus, it is relevant for a brand to create/increase brand awareness. Considering the increased importance of an omnichannel experience and the insights of Lookiero consumers, we realized that a mere online communication may not be enough. Besides partnerships, Influencers, Social Media, we see that some of the potential consumers may not use these communication tools. Thus, it could be effective to integrate offline and online communication strategy.	Among interviewees, doubts arise as if personal stylists are human or are just algorithms. This may compromise brand legitimacy, diminishing the level of authenticity and trustworthiness perceived. It would be necessary to highlight personal stylist presence in the social media or on the website by showing pictures and descriptions of PSs' previous experience or allowing consumers to have e a more in-depth contact with them.

Source: WP Authors

5.2 Recommendations to Lookiero

According to the collected insights, the main recommendation to Lookiero is to develop a strategy that consider the existence of the two different segments (Busy women and Experience Seekers) and their unique needs and preferences. Nevertheless, each segment has a different level of importance for the brand. We can draft a positioning statement for each segment according to the customer-based Brand Equity model (Keller, 2012) (for more details on the Brand Equity model, please see Appendix 6).

Recommended Positioning Statement for Busy Women

For Busy Women, mums and businesswomen who do not have time but want to dress well **(Target).** Lookiero is an online personal styling service, based on a subscription model, within the category of fashion apparel and accessories for women **(POP/Frame of Reference).** It provides a unique personalized service, who offer a tailored, convenient, and easy way of purchasing apparel: A personal stylist hand picks five clothes and combine them to offer ready to go outfits, according to each person unique needs and preferences, aiming at valorizing each woman strengths and increase their self-confidence **(POD).** Thanks to the collaboration with experts' personal stylist and a sophisticated algorithm, Lookiero is the first, trustworthy, online personal stylist service operating in Europe **(Reason to Believe).**

Figure 3: Recommended Positioning Statement for the segment Busy Women. Source: WP Author, based on the Keller (2012) Positioning Statement theory

In this way, Lookiero meets the different needs of Busy Women. Operatively, Lookiero may:

Table 19 Recommendations for Busy Women

Recommendations	***Descriptions***
1.Include **diversity** in their commercials in terms of race, sizes, shapes.	Lookiero should revise its communication strategy making it more representative of the Busy Women Target. Busy women not only lack time, but they also feel uncomfortable with their body, or they are unsecure of their image.
2.Introduce **new products** according to this segment's preferences.	As underlined in the interviews, the inclusion of new products (such as shoes, kids' clothes, lingerie, pijamas) would increase the satisfaction level of Busy Women. Lookiero may send questionnaires to the subscribers in order to have a quantitative overview of the most preferred products.
3.Provide **economic incentives** to users who opt for the monthly subscription instead of the occasionally one.	This can benefit both Busy Women, more price sensitive, and Lookiero: monthly subscribers are a guaranteed source of income for at least a month. Thus, the company can predict its stream of revenue, allowing management to plan and invest accordingly (Pike, 2016).

Source: WP Authors

Recommended Positioning Statement for Experience Seekers

For women who follow fashion trends, who want to try different styles and enjoy a new personalized experience **(TARGET),** Lookiero is an online personal stylist service within the category of fashion apparel, based on a subscription model with no commitment **(POP)**. It provides a unique tailored service: an expert personal stylist will hand-pick and send to users five original items. The personal stylist will choose among more than 150 different brands. There is a wide range of choice: Sustainable, trendy, colorful or timeless pieces. The aim is to offer to subscribers the opportunity of discovering the perfect outfits **(POD).** Because Lookiero has chosen the most fashionable items from his brands partners, and it can count on the expertise of carefully selected personal stylists and sophisticated algorithms to deliver the best outfits to its subscribers (**Reason to Believe)**

Figure 4: Recommended Positioning Statement for the segment Experience Seekers-Source: WP Author, based on the Keller (2012) Positioning Statement theory

By fully implementing this positioning statement, the offer will drastically change (e.g., the Style Quiz would be longer, the items more sophisticated, the whole experience more complex). The consequence could be losing Busy Women' subscribers. To improve the service, without compromising the experience of Busy Women, some possible advices are given:

Table 20 Recommendations for the segment Experience Seeker

1.Provide more **variety to the products offered**.	This will not impact Busy Women. Consumers can already choose which style they want to find in their boxes. In the Style Quiz, they find questions such as "what do you expect from your next Lookiero?" (be surprised, a basic style). The issue is that users who want to be surprised mentioned that they receive basic clothes. As confirmed by the company, this may be due to a lack of available merchandising.
2. In the Style Quiz, questions about the **colors** of the items are not presented. However, sometimes a	Especially Italian respondents stated that they would like Lookiero to take more in consideration both colors of the items and how they can match and valorize each client. Now there is an increasing popular trend regarding the image

wrong color was the main reason why interviewees didn't want to buy an item.	consulting, called "Armocromia", by Rossella Migliaccio from the Italian Image Institute. It aims at finding the palette that enhances our skin-eye-hair combination. For instance, Rossella Migliaccio proposes to her followers a questionnaire to find the perfect palette. Thus, Lookiero may partner with her (as she already collaborates with several fashion brands (Italian Image Consulting,2020)). E.g it can add an optional questionnaire in order to complement the overall experience and enhancing personalization.
3.In the Style Quiz there are no questions regarding the **textile/fabrics** that consumers want/do not want to find in their box.	Since Experience Seekers are more sustainable concerned, and given the trends in the market, the Style Quiz should include question concerning the materials of the items (organic cotton, polyester, viscose). This may be a viable option, as Interviews with the employees revealed that Lookiero already partnered with brands who have items made of organic materials in their inventories.
4.Communicate the sustainable initiatives.	Additionally, the Marketing Chief Officer, mentioned that in the last years they made change to the box, to remove all the plastic, but it is not communicated. This may be relevant, given the increase in environmental concerns among consumers (McKinsey, BoF, 2020)

Source: WP Author

Concerning point 2 and 3 (Table 20), the addition of only two more questions in the Style Quiz, will make Lookiero able to satisfy the needs of the Experience Seekers segment without compromising the highly appreciated easiness and quickness of the questionnaire.

In conclusion, as mentioned above, insights clearly show that Lookiero should now prioritize the segment of Busy Women as being the most relevant one. Therefore, Lookiero should carefully select which improvements can be beneficial for this segment, without harming the convenience of the service for the Busy Women.

6.Work Project Main Limitations

While doing this Work Project, some limitations arose. First, Lookiero lacks brand awareness. This makes harder finding consumers who had already ordered a box from Lookiero and so, qualified to be interviewed. Secondly, given time constraint, it was not possible to collect more than 27 in-depth interviews, which might not effectively represent the Southern European consumers of Lookiero. This challenge can be tackled by covering a wider geographical area in future research. Moreover, since the first part of the Work Project was developed in Italy, access to Italian consumers was easier. In addition, some of the Spanish and Portuguese that were qualified for the interviews were not comfortable speaking in English. Also, given the Lookiero's innovative business model, its collaborators were reluctant to provide in depth information during interviews. Finally, a quantitative analysis should have carried on to quantitively verify the relevance of both segments and test the conclusions drawn.

References

Abraham Mark., Archacki Robert, Gonzalez Josep Esteve, Fanfarillo Stefano., 2019 "The next level of personalization in retail", Accessed November 3 from BCG Global: https://www.bcg.com/publications/2019/next-level-personalization-retail

Bhatt Dipti, "Consumers' perceptions towards subscription retail: A focus on online fashion box services" (Master diss., University of Delaware,2018). Accessed November20 https://udspace.udel.edu/bitstream/handle/19716/23904/Bhatt_udel_0060M_13297.pdf?sequence=1&isAllowed=y

Chen T., Fenyo K., Yang S., Zhang J., 2018. "Thinking inside the subscription box: New research on e-commerce consumers". Accessed October 25 from *McKinsey & Company.* : https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-ecommerce-consumers

Chitrakorn Kati. 2017. "Online Giants Get Personal". Accessed November 17 at *Business of Fashion* https://www.businessoffashion.com/articles/technology/online-giants-get-personal

Dasteel, Jeb., Hartman Amir. & LeGrande Craig. 2016. "*Competing for Customers - Why Delivering Business Outcomes Is Critical in the Customer First Revolution*". New Jersey: Pearson.

De Veirman Marijke, Cauberghe Veroline. Hudders Liselot. 2017. "Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude". *International Journal of Advertising*. Accessed November 20 https://www.researchgate.net/publication/318434044_Marketing_through_Instagram_influencers_the_impact_of_number_of_followers_and_product_divergence_on_brand_attitude

Dospinescu, Nicoleta., Livedeanu Madalina. 2014. "”Word of Mouth” and clothing brands – promoting instruments in social media" *The Young Economists Journal.* Accessed November 2 at ResearchGate: https://www.researchgate.net/publication/297485523_WORD_OF_MOUTH_AND_CLOTHING_BRANDS_-_PROMOTING_INSTRUMENTS_IN_SOCIAL_MEDIA

Edelman, David C. 2020. "Branding in The Digital Age: You're Spending Your Money In All the Wrong Places" *Harvard Business Review* 88, no.12: 62 Accessed October 25, 2020.

Edelman, David C, Marc Singer. 2015. "The New Consumer Decision Journey". *McKinsey & Company*. Accessed October 20 at: https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-new-consumer-decision-journey

Euromonitor International. 2020. “ Company shares” divided by countries. Retrieved from Passport database

Gazzola, Patrizia., Pavione Enrica., Pezzetti Roberta., Grechi Daniele., 2020. “Trends in the fashion industry. The Perception of Sustainability and Circular Economy: A Gender/Generation Quantitative Approach”. *Sustainability.* Accessed November 3 at ResearchGate https://www.researchgate.net/publication/340376900_Trends_in_the_Fashion_Industry_The_Perception_of_Sustainability_and_Circular_Economy_A_GenderGeneration_Quantitative_Approach

Holder, Sabrina, Svensson Kajsa, 2016. “Subscription services in the fashion industry. A quantitative approach on consumers’ perspective”. (Master diss, The Swedish School of Textiles, University of Boras) Accessed November 20, 2020 at http://www.diva-portal.org/smash/get/diva2:974225/FULLTEXT01.pdf

Italian Image Institute, 2020. Accessed November 20 at https://www.italianimageinstitute.it/shop/armocromia/?lang=en

Keller, Kevin Lake. 2012. “*Strategic Brand Management: Building, Measuring, and Managing Brand Equity*”, 4th Edition. London: Pearson.

Kotler, Philip, Armstrong Gary 2018 “*Principles of Marketing*”. 17th edition. London: Pearson.

Kotler, Philip., Kartajaya Hermawan., Setiawan Iwan. 2017. “*Marketing 4.0. Moving from traditional to digital*; Wiley & Sons Inc.: Hoboken, NJ, USA

Lake, Katrina, 2018. “Stitch Fix’s CEO on Selling Personal style to the Mass Market”. *Harvard Business Review*. Accessed November 2 at https://hbr.org/2018/05/stitch-fixs-ceo-on-selling-personal-style-to-the-mass-market

Lindecrantz Erik., Pian Gi Madeleine.T, Zerbi Stefano., 2020 “Personalizing the customer experience: Driving differentiation in retail”. *McKinsey & Company.* Accessed November 17 at https://www.mckinsey.com/industries/retail/our-insights/personalizing-the-customer-experience-driving-differentiation-in-retail

Lookiero Official Website. 2020.: Accessed October 10 at https://lookiero.it/user/my-lk

Ludin, Josh. (n.d.). The Pros and Cons of Running a Subscription Service. *Bplans.* Accessed November 4 at Bplans https://articles.bplans.com/the-pros-and-cons-of-running-a-subscription-service/

McKinsey & Co., Business of Fashion. 2019. “The State of Fashion 2019”. Accessed November 2 at McKinsey & Company

https://www.mckinsey.com/~/media/McKinsey/Industries/Retail/Our%20Insights/The%20State%20of%20Fashion%202019%20A%20year%20of%20awakening/The-State-of-Fashion-2019-final.ashx
McKinsey & Company. 2020, “The State of Fashion. Coronavirus Update”. Accessed October 29 McKinsey
https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/its%20time%20to%20rewire%20the%20fashion%20system%20state%20of%20fashion%20coronavirus%20update/the-state-of-fashion-2020-coronavirus-update-final.pdf
McKinsey & Company, Business of Fashion. 2020. “The State of Fashion 2020”. Accessed October 28 at McKinsey& Company
https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/the%20state%20of%20fashion%202020%20navigating%20uncertainty/the-state-of-fashion-2020-final.ashx
McKinsey & Company. 2020. “Personalizing the customer experience: Driving differentiation in retail”. *McKinsey & Company*.
https://www.mckinsey.com/industries/retail/our-insights/personalizing-the-customer-experience-driving-differentiation-in-retail)
Moynihan, Qayyah, Payo Alberto. 2019. “There are the acquisition that have made Amazon the giant it is today”. *Business Insider*. Accessed November 20 at
https://www.businessinsider.com/acquisitions-that-made-amazon-the-giant-it-is-today-2019-6
Nadine West Official website: Accessed October 10 at https://www.nadinewest.com/
Pike, Helene.2016. “Will subscription services work for fashion?” *Business of Fashion*. Accessed November 14 https://www.businessoffashion.com/articles/news-analysis/can-subscription-services-work-for-fashion
Segura Alfonso. 2019. “Fashion as a Service”. *The Fashion Retailer.* Accessed November 2 https://fashionretail.blog/2019/06/03/fashion-as-a-service-2/
Shannon Sarah.2017. “Fast Fashion Slow to E-Commerce” *Business of Fashion.* Accessed 19 November from Business of Fashion https://www.businessoffashion.com/articles/news-analysis/fast-fashion-slow-to-e-commerce
Smiley Lauren.2019. “Stitch Fix’s radical data-driven way to sell clothes – 1.2 billion last year- is reinventing retail” *Fast Company*. Accessed 20 October
https://www.fastcompany.com/90298900/stitch-fix-most-innovative-companies-2019
Statista. 2019. “Social media metrics for global fashion brands in 2019”.
https://www.statista.com/statistics/442817/fashion-brand-social-media-

metrics/#:~:text=In%202019%2C%20fashion%20brands%20performed,than%20on%20Facebook%20or%20Twitter.
Statista, 2018. “Most popular online stores in the fashion segment in Portugal in 2018, by e-commerce net sales” https://www.statista.com/forecasts/988473/top-online-stores-portugal-fashion-ecommercedb
Statista, 2018. “Most popular online stores in the fashion segment in Italy in 2018, by e-commerce net sales” https://www.statista.com/forecasts/871119/top-online-stores-italy-fashion-ecommercedb
Statista, 2018. “Most popular online stores in the fashion segment in Spain in 2018, by e-commerce net sales” https://www.statista.com/forecasts/871142/top-online-stores-spain-fashion-ecommercedb
Stitch Fix Official Website. 2020. Accessed October 10 at Stitch https://www.stitchfix.com/onboarding/welcome-back/
Style Plan by Frank and Oak Official website. 2020. Accessed October 10 at https://www.frankandoak.com/clothing-subscription-box
Tao, Qiong., & Xu Yingjiao.2017. “Fashion subscription retailing: An exploratory study of consumers' perception. *Journal of Fashion Marketing and Management.* Accessed November 15 at Research Gate. https://lib.dr.iastate.edu/itaa_proceedings/2017/presentations/15/
TrendSend Official Website.2020. Accessed October 10. https://www.trendsend.com/
Trunk Club Official website.2020. Accessed October 10. https://www.trunkclub.com/
Walters, Kiara A.2019. “The Personalization Paradox: Why More Choice Doesn’t Equal More Demand” *The Psychology of Fashion.* Accessed 15 November.: https://magazine.psykhefashion.com/industry-articles/fashion-personalization-paradox
Wantable Style Edit Official Website.2020. Accessed October 10. https://www.wantable.com/edits/style
WARC. 2020. “What we know about direct-to-consumer brands”. Accessed November 20. https://www.warc.com/SubscriberContent/article/bestprac/what-we-know-about-direct-to-consumer-brands/118016
Wunder, Thomas, 2016. *Essentials of Strategic Management: Effective Formulation and Execution of Strategy*. Verlag Stuttgart, Schäffer-Poeschel

Appendices

Appendix 1: List of Tables

Appendix 2 “top 20 winners” for 2018, by economic profit

Appendix 3 DTC business models and Fashion tech challengers

Appendix 4 McKinsey analysis of the subscription model: The subscription as a common way to buy products and services online & Subscription categories

Appendix 5 Lookiero’s questionnaire

Appendix 6 Keller Positioning Statement

Appendix 7 Indirect competitors of Lookiero (Fashion Brands)

Appendix 8 Indirect competitors of Lookiero (E-commerce platforms)

Appendix 9 Pre-Recruiting questionnaire

Appendix 10 In-depth interviews with consumers – Interview guide

Appendix 11 In-depth interviews with Lookiero’s employee – Interview guide

Appendix 12 Physical artefacts retrieved from the immersive research

Appendix 13 The Consumer Decision Journey by McKinsey & Company

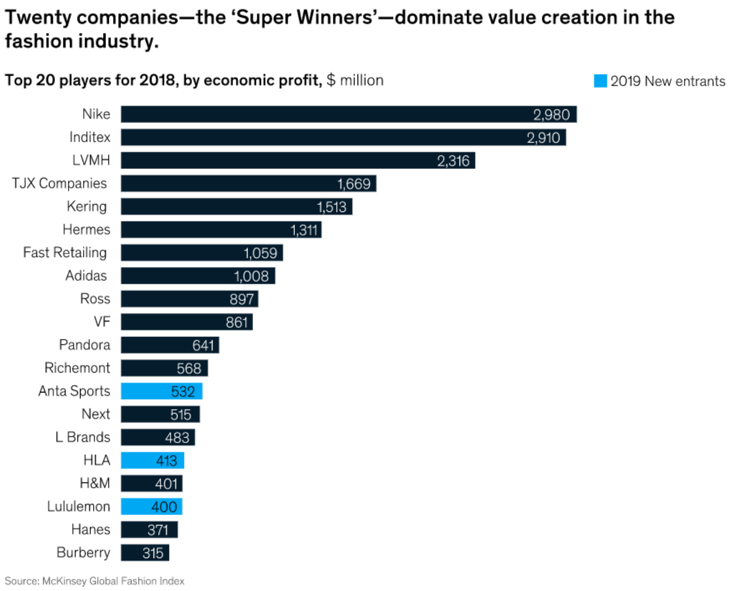
Appendix 14 Additional Recommendations for the segment Experience Seekers

Appendix 1: List of Tables

List of Tables

List of Figures

Appendix 2 – Top 20 players for 2018, by economic profit

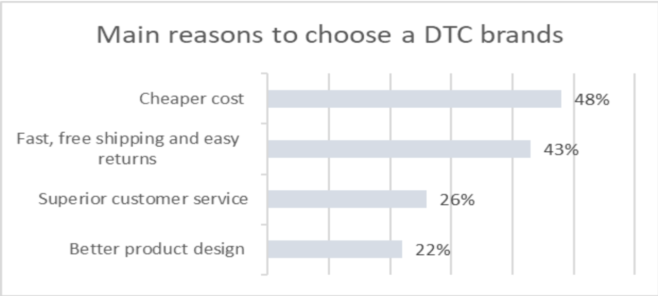


(McKinsey & Co., 2018)

Appendix 3: Why DTC brands are thriving.

According to a 2019 US study carried on by the Video Advertising Bureau (VAB).

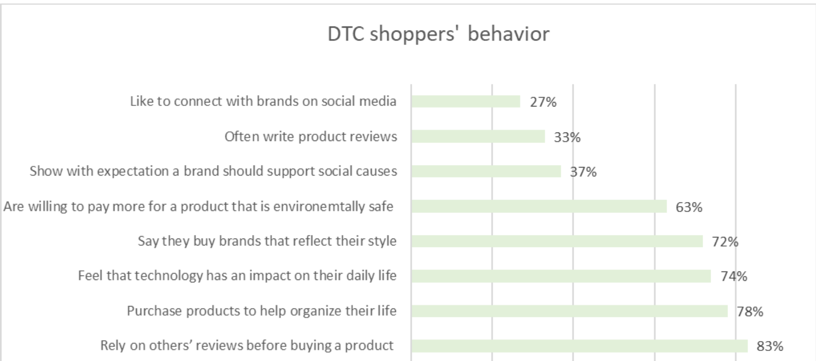
Consumers of Direct to Consumers Brand main reasons for buying from DTC brands are:



The VAB also shows that DTC brands engage with DTC shoppers by adhering to seven key values:

- They have e-commerce platforms
- They are data-obsessed
- They are socially interactive
- They have an attractive design, thus they are design-focused,
- consumer-centric,
- customer-led
- Mission-driven.

These principles align with the behaviours of the DTC shopper, including:



(WARC, 2020)

Fashion Tech Challenger:

Among Fashion Tech Challengers we have:

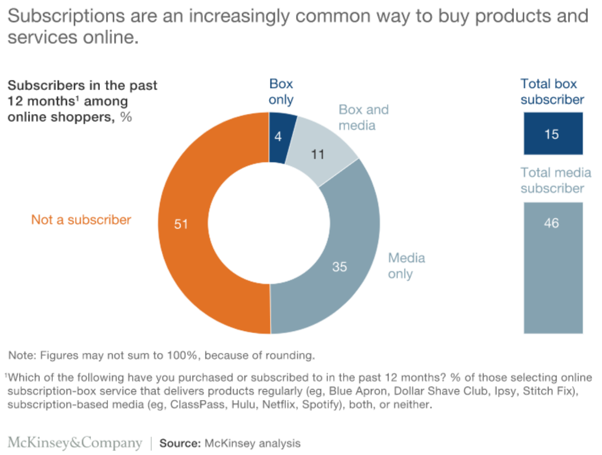
Resale marketplace: Such as StockX, a tech driven platform. Its business is centered on resale of sneakers, apparel, accessories. They take advantage of a bidding system, which allows buyers and sellers to arrive to a mutually agreeable prices, beyond the realm of sneakers (Business of Fashion, 2019).

Rental Platforms: such as **Rent the Runway.** Data analytics is at the core of their business model, in order to reach efficiency in the inventory.

Online personal stylist service: Uses a mix of human touch and Artificial Intelligence to send to the subscribers personalized clothing items, based on their preferences. The most famous and popular online personal stylist service is Stitch Fix.

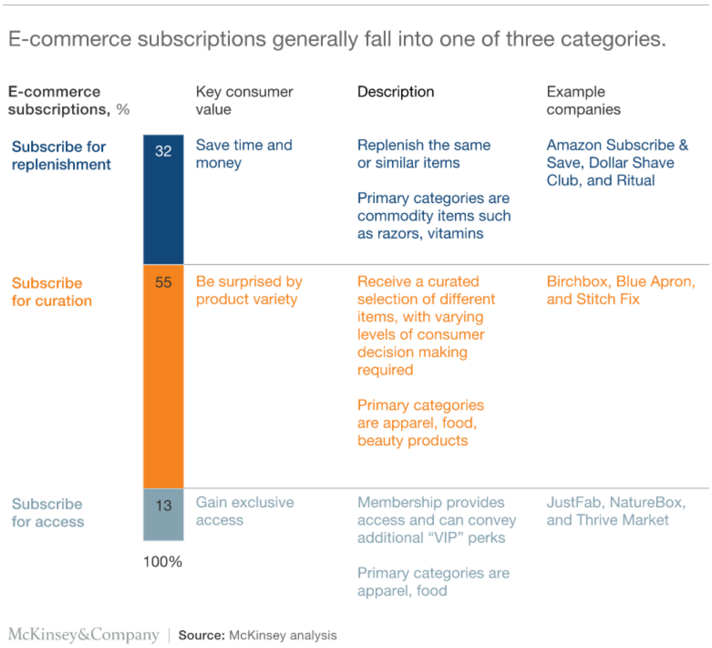
Appendix 4: McKinsey Subscription Model Insights

How it is shown in the figure "Subscriptions are an increasingly common way to buy products and services online" (Chen, 2018). In the table we can see



Categories of e-commerce subscriptions (McKinsey&Co, 2018)

McKinsey identifies three types of subscription model: Replenishment, Access and Curation	
Replenishment subscriptions	They allow consumers to automate the purchase of commodity items, such as razors or diapers.
Curation subscriptions	Seek to surprise and delight by providing new items or highly personalized experiences in categories such as apparel, beauty, and food Curation services are the most popular, with 55 percent of total subscriptions, in line with the growing consumers preferences of personalized services.
Access subscriptions	Subscribers pay a monthly fee to obtain lower prices or members-only perks, primarily in the apparel and food categories.



(McKinsey & Co.,2019).

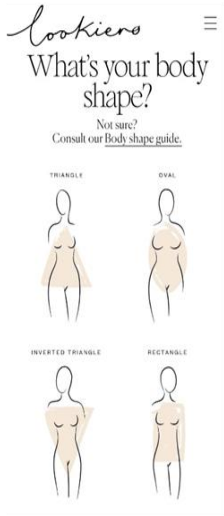
Appendix 5 Lookiero Questionnaire

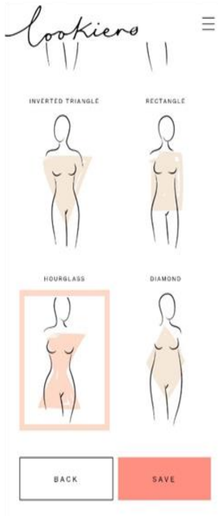

lookiero
How do you dress in your free time?
BACK
SAVE

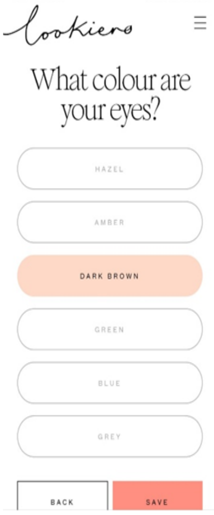

lookiero
How do you dress for work?
BACK
SAVE

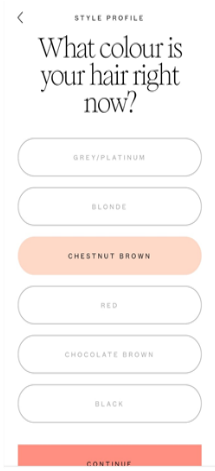

lookiero
What fit do you usually wear?
TOPS
FITTED
STRAIGHT
LOOSE
BOTTOMS
FITTED
STRAIGHT
LOOSE


lookiero
What would you like to highlight or cover?
CLEAVAGE
COVER
NEUTRAL
HIGHLIGHT
ARMS
COVER
NEUTRAL
HIGHLIGHT
BOTTOM
COVER
NEUTRAL
HIGHLIGHT
WAIST
COVER
NEUTRAL
HIGHLIGHT
LEGS


lookiero
What's your body shape?
Not sure?
Consult our Body shape guide.
TRIANGLE
OVAL
INVERTED TRIANGLE
RECTANGLE


lookiero
INVERTED TRIANGLE
RECTANGLE
HOURGLASS
DIAMOND
BACK
SAVE


lookiero
What colour are your eyes?
HAZEL
AMBER
DARK BROWN
GREEN
BLUE
GREY
BACK
SAVE


STYLE PROFILE
What colour is your hair right now?
GREY/PLATINUM
BLONDE
CHESTNUT BROWN
RED
CHOCOLATE BROWN
BLACK
CONTINUE


lookiero
What sizes do you typically wear?
Not sure?
Consult our Size guide.
Tops (e.g. blouses)
8
Bottoms (e.g. trousers)
10
Bra
32
Cup size (optional)
BACK
SAVE


lookiero
What are your measurements?
Height
5 ft 6 in
Weight
9 st 1 lb
BACK
SAVE


lookiero
What would you like your Lookiero to focus on?
WORK
1-NOT AT ALL
5-A LOT
FREE TIME
1-NOT AT ALL
5-A LOT
EVENING
1-NOT AT ALL
5-A LOT


lookiero
What do you want from your Lookiero?
1. Timeless styles to build a capsule wardrobe.
2. Mostly basics, with the occasional special piece
3. Styles with a unique touch to update my wardrobe
4. To discover brands and trends that fit my style and personality
5. Something new. I like experimenting with different styles
BACK
SAVE


What styles would you like to find in your Lookiero?
Choose 1 or 2 that you like most.
CASUAL

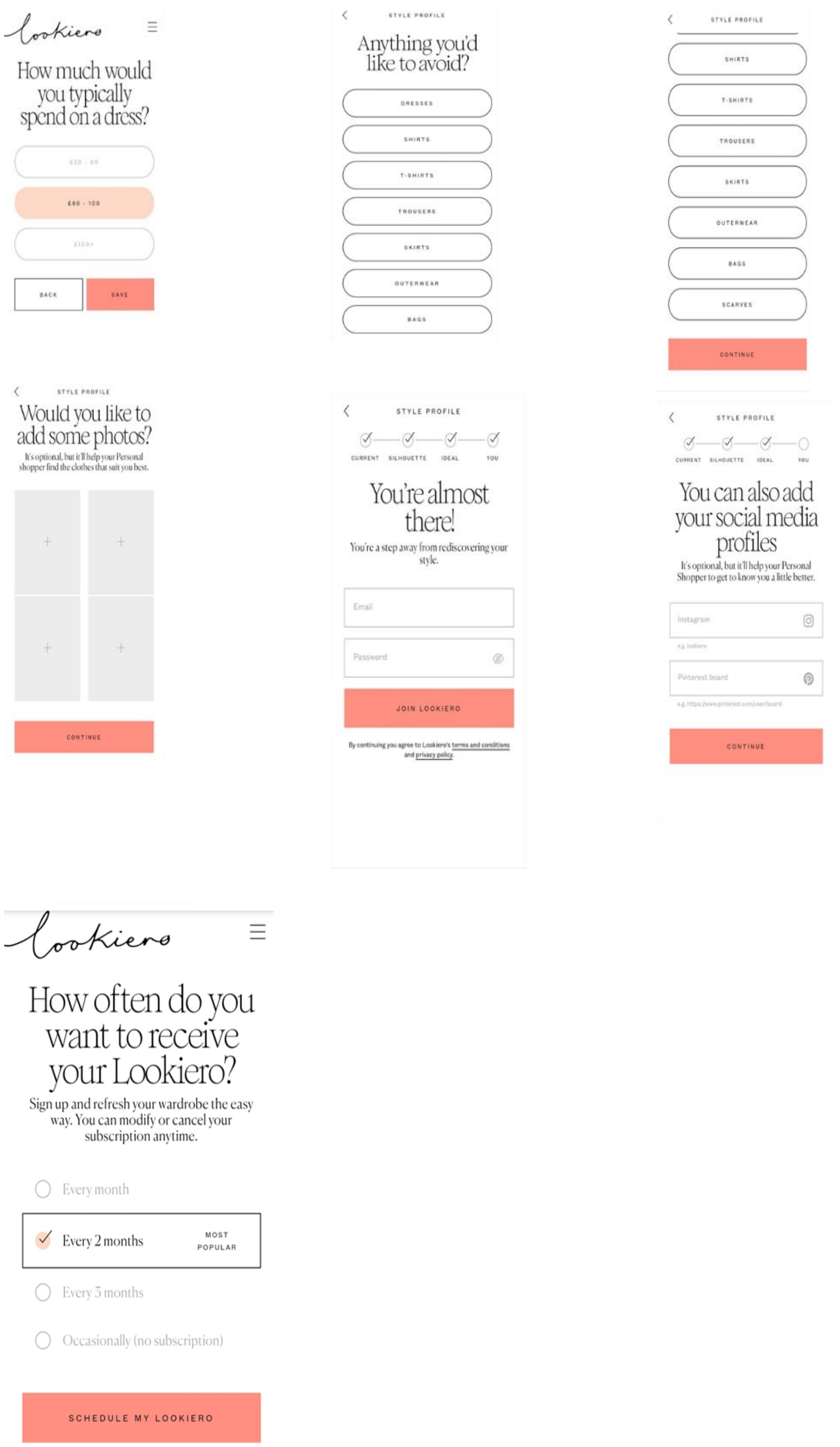

STREET
EVENING


CLASSIC
BOHO


BOHO
MINIMALIST


MINIMALIST
STREET


EVENING
YOU'VE CHOSEN:
Street



Source: Lookiero Website

Appendix 6 Keller Positioning Statement

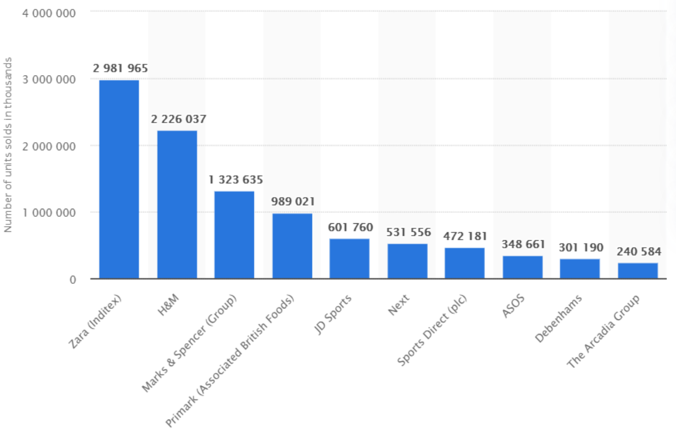
According to Keller positioning means finding the right location in the minds of a group of consumers or market segment, so that they think about the brand in the desired way to maximize potential benefit to the firm (Keller, 2012). According to Keller, positioning means identifying and establishing point of parity and points of difference with main competitors to achieve the best brand image. Considering the Customer-based Brand Equity model (Keller, 2012), positioning a brand requires to determine:

1. Who the target consumers should be
2. Who the main competitors should be,
3. How the brand should be different from these competitors (i.e., Points of Difference),
4. How the brand should be similar to them (i.e., Points of Parity).

Lastly, a Positioning Statement addresses those questions.

Keller, K. L. (2012)

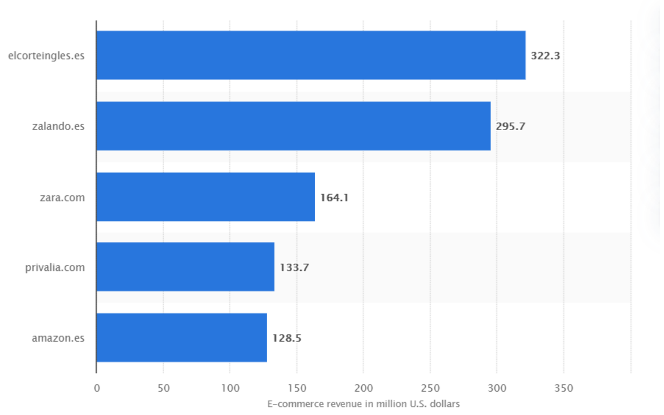
Appendix 7 Indirect competitors of Lookiero (fashion brands)
The table show the 10 European fashion brands who are currently leading the European Market.
"Leading 10 European fashion brands based on units sold per year worldwide in the financial year 2018/2019"



Statista (2020)

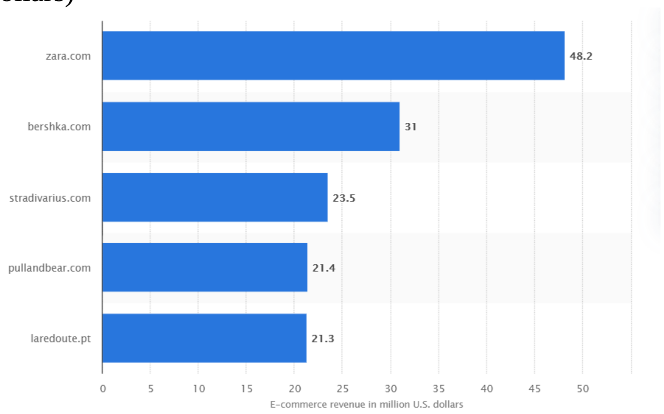
Appendix 8 Indirect competitors of Lookiero (online sales)

Spain: Most popular online store in the fashion segment in Spain in 2018, by e-commerce net sales (in million U.S. dollars)



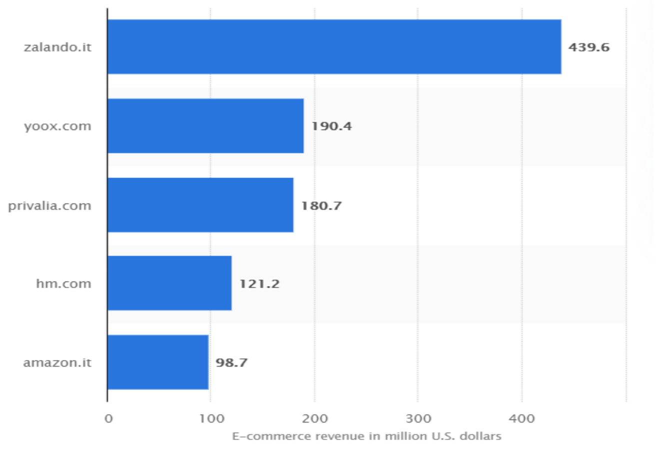
Source: Statista, 2018

Portugal: Most popular online stores in the fashion segment in Portugal in 2018 (In million U.S. dollars)



Source: Statista, 2018

Italy: Most popular online stores in the fashion segment in Italy in 2018, by e-commerce net sales (In million U.S. dollars)



Source : Statista 2018

Appendix 9 Pre-Recruiting questionnaire

(Recruitment Filters)

Filter 1: Have you ever purchase an item via the online personal stylist service Lookiero?

Yes: Proceed to interview

No: Stop Interview

Filter 2: Have you been living in Portugal/Italy/Spain for the past three years?

Yes: proceed with the interview

No: stop interview

Appendix 10 In-depth interviews with consumers – Interview guide

1. **Warm up:**

Good Morning/Evening, my name is Eugenia Marzano and I am a student at Nova SBE a and I'm conducting a study about new online personal stylist service and in particular about Lookiero in Southern Europe. I will not ask you specific questions about the subject as in a standard questionnaire, this means that after the first question that I will do it to you now you will be free to tell me whatever comes to your mind on the subject. If you don't mind, I will record the interview. This interview will last approximately 45 minutes. May we start?

2. **Initial Question:**

Could you tell me about your last experience of making purchases from Lookiero? When was it? Which type of clothes did you receive?

3. **Topics to be developed**

Trigger phase

Consideration

Evaluation

Bond

Loyalty

Additional topics to analyze

Fashion consumption habits (when they do not shop from Lookiero from which retailers they purchase). A description of their shopping experience from online and offline retailers

General Perception of Lookiero

Compare with other online or offline retailers where respondent has made purchases

Competitors of Lookiero

Quality of Lookiero's service

Perceived Quality and prices of the items received from Lookiero

Motivation behind choosing Lookiero

Change in shopping behaviour after trying Lookiero

If they recommend Lookiero to other friends

Any extra comments

Respondent profile

- Age
- Gender
- Frequency of the box purchase
- Level of education
- Occupation
- Area of residence

Appendix 11 In-depth interviews with Lookiero's employee – interview guide

1.Warm up

Good Morning/Afternoon/Evening, My name is Eugenia Marzano and I am a student at Nova SBE a and I'm conducting a study about new business models in the fashion industry, in particular about Lookiero, I will not ask you specific questions about the subject as in a standard questionnaire, this means that after the first question that I will do it to you now you will be free to tell me whatever comes to your mind on the subject. If you don't mind, I will record the interview. This interview will last approximately 45 minutes. May we start?

2.Initial question

Can you please describe your current function/role at Lookiero

3. Topics to be developed:

Initial Company perception, why did she/he decided to work with Lookiero

Aspirational – what Lookiero aspires to do, what they would like to achieve

Which kind of customer experience they want to create

Consumer behaviour in terms of consumer characteristic, target, purchase behaviour, satisfaction, loyalty.

Competitors

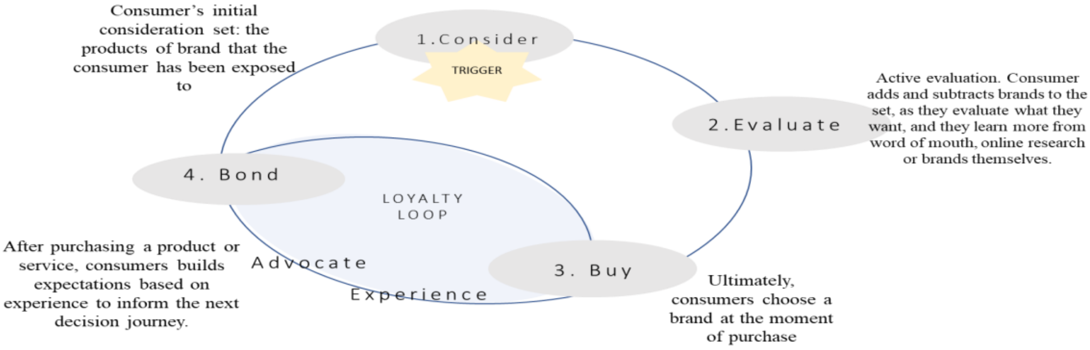
Actual company perception

Current position

Appendix 12 Physical artefacts retrieved from the immersive research.

(one of the boxes sent to my place on 28 October)

Appendix 13 The Consumer Decision Journey by McKinsey & Company



Source: The New Consumer Decision Journey (McKinsey & Company 2015, With the growing use of technology, social media, mobile devices, consumers gain incredible power; They are now well-informed and overall influenced by multiple and different key touch points. In 2009, the traditional "funnel model", in which consumers started with a set number of brands in mind and narrowed them down until they decided what to purchase had been supplanted by "The Consumer Decision Journey" (Edelmand, 2015) developed by McKinsey & Co; The latter is a more sophisticated model, where several touch points that influences consumer experiences (advertisements, family/friends, product experiences etc.) are taken into consideration in the decision-making process. The consumer decision journey is now a circular journey that involved four main stages: initial consideration, active evaluation, purchase, and post-purchase. The first stage comprises the consumer's initial consideration set: the products of brand that the consumer has been exposed to. In the second stage, "active evaluation", the consumer adds and subtracts brands to the set, as they evaluate what they want, and they learn more from word of mouth, online research or brands themselves. Ultimately, consumer choose a brand at the moment of purchase, this represents the third stage. The last stage is "post-purchase" when the consumer experiences the brand. The post-purchase experience built consumers' opinion for all the others decision in that category (Edelman, 2010). If consumers bond is strong enough, they will repurchase the brand without cycling through the earlier decision-journey stage (Da Silveira, 2020). So, loyalty has an essential role in today's competitive environment (Court et al. 2009). It has been showed that number of advocates among the customer base is directly correlated to the growth rate of a brand (Reicheld, 2006) underlining the importance of creating a meaningful, deeper relationship with the consumer, to expand the base of active loyalists. This, in turn, may result in the consumer entering an enjoy-advocate-buy loop that completely bypass the consideration and evaluation stages (Edelman, 2010). Also, McKinsey provided a differentiation among consumers that are considered loyal to a brand. Indeed, we have "active loyalist", that keep repurchasing the brand but also advocate for it, and “passive loyalists”, who may repurchase the brand but are not necessarily committed to communicating it. These consumers are open to competitors’ messages and, thus, to brand switching (Edelman, 2010).