

Just Jeans Online Service Innovation

'Try Before You Buy'



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The Need

Like many retailers, Just Jeans is presented with the challenges associated with globalization and technological advancement as they must keep pace in a crowded and competitive environment that is saturated with products, services and advertisements. Technological advances and changing consumer values are transforming the retail industry from being product based to having an increased importance on services (Brynjolfsson & Hu & Rahman 2013). This shift in business focus is responding to the emergence of the modern consumer, who has higher expectations for the retail experience to meet their convenience and makes purchases based off more than just function and need, but also to fulfill their wants, desires and aspirations.

There currently exists the need for a service that combines the physical aspect of in store shopping with online shopping, and for Just Jeans to provide a value added service in order to reduce uncertainty and negative experiences associated with making denim purchases online. Smithers (2014) says “Shopping online ... can be more convenient ... although there can be drawbacks to not being able to see, touch or check the item you are buying.”

Need for Denim

Denim is one of the most difficult products to buy online as attitudes and preferences for the perfect pair of jeans can vary so greatly between individuals. The consumer needs to take into account the jean style, size, fit, length, rise, fabrication, wash and design details including whiskering, pocket placement, rip and repair, closure, hardware and stitching colours.

Just Jeans also stocks a large range of denim brands, which in addition to providing the consumer with plenty of choice, also arises the problem of differences in sizing that vary from brand to brand. It can be difficult and risky for consumers to make all of these decisions based on photos, brief descriptions and sizing charts and having to pay upfront for a product that they may not be satisfied with.

Customer Research

Online shopping is an incredibly popular method for the modern and fastidious Just Jeans consumer, who ranges from the age of 16 to 39 (Just Group 2016). Online shopping popularity was a sentiment reflected in an online shopping survey we conducted on a sample of 79 respondents (appendix 6), with the majority often or always shopping online (appendix 8). A large 93.7% of those surveyed reported using ecommerce (appendix 7) and 38% reported they typically purchase denim jeans online (appendix 15).

However, online shopping presents a major problem for our consumer, a confronting paradigm between the intangible online experience and the physical reality of making purchases. Astoundingly, 76 of the 79 surveyed stated when buying jeans online their biggest concern was that the size and fit would be incorrect, followed by the material, colour and comfort (appendix 14). Unsurprisingly a large 41.8% of respondents reported having to frequently return products they bought online, followed by 25.3% needing to return products often (appendix 13).

The survey also highlighted another issue, this time from the traditional retail standpoint, with a concerning 68% of respondents surveyed expressing some form of feeling uncomfortable when needing to ask for assistance with sizes in a fitting room in a bricks and mortar store (appendix 12).

The Solution

Overview

In order to eliminate the uncertainty associated with buying jeans online, a 'Try Before You Buy' option will be introduced to Just Jean's e-commerce site. Customers will be able to select up to five pairs of jeans to be delivered to them at no cost, so they can try them in the comfort of their own home and make an informed decision on which pairs to purchase and which to return. The 'Try Before You Buy' option is summarised in 4 simple steps depicted below:



The Process

The consumer's choice of five jeans to try is unrestricted, allowing them to choose one style in multiple colour ways and sizes or multiple styles, depending on their denim needs and concerns regarding buying jeans online. These options increase the chance of the consumer finding their perfect pair of denim jeans and having a positive online shopping experience with Just Jeans.

Consumers can add up to five pairs of jeans in a 'Try Before You Buy' cart, similar to a regular e-commerce shopping cart. Consumers will then checkout as usual by registering their personal information, delivery address and billing details, but no charges will be made at that time.

The customer has five days from date of delivery to make a decision about which pairs of jeans they would like to purchase. During this period the customer has the opportunity to try on each pair of jeans in the privacy of their own home, and have the physical experience of a fitting room brought to them. After five days once the customer has decided which pair(s) of jeans to purchase, they are able to return the remaining pairs, if any, at no cost in a prepaid registered-post parcel that was included in their order.

Fourteen days after the package was delivered to the consumer, the purchase process takes place, which allows for returns to reach Just Jeans. The consumer will be charged via their chosen payment method for the retail price of the pair(s) of jeans they have not returned. If no items are returned, the consumer is charged the retail price for all pairs, however if all the pairs are returned, the customer is charged a small fee of \$15. This fee is for the 'Try Before You Buy' service to cover shipping costs, and encourages consumers to make a purchase in order to avoid this fee. Any pairs of jeans purchased using this service are subject to the regular Just Jeans return policy of 21 days, which commences after the 5 day try on period.

This service innovation is an innovative way to diminish the uncertainty of purchasing jeans online and better caters to specific wants of the Just Jeans consumer. Euse states that "Not being able to try clothes on before you buy them is one of the worst things about online

shopping” (2015), and the “Try Before You Buy” option eliminates this problem and provides the critical tactile experience that Just Jeans online consumers are missing.

Why it is innovative

This “Try Before You Buy” option is innovative as it is an adaptation that combines the benefits of both the physical and online retail shopping experience into one viable and modern service.

The concept behind bringing the physical retail experience of a fitting room to the comfort of the consumer’s own home is a relatively new idea. It has been experimented with by some retailers in the form of virtual fitting rooms, however this option requires high capital and financial investment, expensive devices and the implementation of advanced technology. Virtual fitting rooms can be complex and time consuming to use, which is not an efficient process and unlikely to be adopted by consumers at a large scale.

Online retailers offering a physical try at home service is a modern concept globally and the majority of brands that offer it are based in the United States. Some examples are consumers being able to try spectacles at home with New York based brand Warby Parker, and women can try bras at home with Californian company True & Co. Other variations of the ‘try at home’ concept include a monthly subscription which allows consumers to ‘borrow’ jewellery with California brand Rocksbox, and Trunk Club is a Chicago based company where men can fill out a survey and have a stylist handpick clothing and accessories that they can try at home at no cost (Moth 2014).

Not only would Just Jean's 'Try Before You Buy' service be the first of its kind for an Australian retailer, but also the first foray into providing the service solely for purchasing denim online.

Design and Development Plan

Just Jeans must implement certain measures to successfully execute the "Try Before You Buy" innovation.

Start Up

The first step is to employ Just Group's legal team to set up the initial legal contracts for implementation and operation of the service as well as set up a secure credit-card detail holding system, which would differ from the existing system as it wouldn't automatically charge consumers for their purchases at checkout.

Staff

Just Jeans would need to employ additional staff to ensure the service ran smoothly. This would include appointing an operations manager to oversee the management of the service, as well as two staff for the online support and two staff for the warehouse to manage orders and returns. This is in addition to engaging staff already employed by Just Jeans.

Marketing

Next, Just Jeans must effectively market the "Try Before You Buy" service to promote the idea and educate the customer so they are fully aware of the option and its benefits. This will take place through the redesign of the website homepage (appendix 1) and marketing

via sponsored Facebook advertisements, paid endorsements (appendix 2) and Instagram posts (appendix 3). Additional web based measures would include a clear link to a page that fully explains the service and coupled with clear terms and conditions (appendix 4) and frequently asked questions (appendix 5).

Order Fulfillment

The picking and packing of “Try Before You Buy” orders will have a pre-paid registered post parcel included to be used for returns. In addition an information package will also be included that contains information about the service, clear return instructions and terms and conditions and frequently asked questions. This ensures the consumer is fully informed about the process and reduces the need for requiring customer service help.

Measuring Success

After the customer has been charged for either the purchase of jeans or the service fee, they will be encouraged via email to complete an optional customer satisfaction survey that evaluates the customer’s experience of the service. The success of the service will also be measured by weekly collection of data surrounding sales and returns.

Review Plan

An initial review meeting will take place 6 months after implementation, and then 12 months after implementation to evaluate growth, sales, returns and customer satisfaction.

Expected Benefits

Consumer Shopping Experience

If the Just Jeans consumer had the ability to touch and try on an item before purchasing it online, it would eliminate the major problems associated with buying jeans online and enable the consumer to make more informed purchases, thus reducing the possibility of dissatisfaction with their online order. There is also no need to travel to a physical store to try jeans on, which can be difficult depending on their location and if they are time poor. The service is convenient and allows the consumer to try the products on in the comfort of their own home, which would also appeal to people who dislike fitting rooms and feel uncomfortable receiving help from sales assistants, and it gives them the chance to style the jeans with their own clothes and get feedback from friends and family within the trial period. The service is also offered at no cost to the consumer if they make a purchase.

Customer Acquisition

It is expected that the implementation of the "Try Before You Buy" service will result in an increase in online traffic to the Just Jeans online store due to the unique service offering and as a result of the related marketing efforts. This would attract new customers for Just Jeans, as well as convert existing concerned consumers to make a purchase.

Increased Sales

There are many benefits of the service for Just Jeans as trying five pairs of jeans will more likely encourage consumers to make a purchase and the tactile experience influences consumers to buy multiple pairs. This is because customers would have more options to choose from, and customers may prefer to purchase a pair of jeans rather than pay the

service fee. Regular shipping for Just Jeans online shopping is \$9.95, so it encourages consumers to use the service to receive free shipping, and then they are encouraged to make a purchase in order to avoid the service fee. Apprehensive shoppers would be more likely to convert to making a purchase, resulting in new product sales and revenue uplift from this sales growth.

Brand Image

The ability to “Try Before You Buy” would also result in an increase in positive online experiences with Just jeans as there are more options to physically try on and there would be a lesser need for returns, which in turn would result in less complaints, encourage repeat customers and improve customer loyalty and brand image. The service enables Just Jeans to mirror the physical in store experience of a fitting room to their online store, and this exclusive service offering would create positive value and establish a unique competitive advantage for Just Jeans as the only Australian retailer to offer the service.

Financial Predictions

It is predicted that the average sale from this service will consist of two pairs of jeans at an average price of \$150 each. Once the shipping costs have been deducted, this would result in \$285 of sales per average order, for the customers that make a purchase. When a customer does not make a purchase, the shipping costs would be offset by the service fee.

Based on results from international companies that offer a similar service the “Try Before You Buy” service is expected to increase online sales for Just Jeans by 30% (Touch Payments 2016), raising annual online sales by \$4.1 million to a total of \$17.5 million, based on last year’s annual report. Based on an annual average of 14,400 purchase orders, the cost of

shipping would be approximately \$215,790. The salary of the five staff directly associated with the service is estimated at \$250,000, bringing total service costs to roughly \$465,790. These figures result in an estimated \$3.63 million annual profit from the “Try Before You Buy” service.

The Ask

In order to move forward with the “Try Before You Buy” service, an initial investment of \$30,000 is required; specifically \$10,000 in legal fees, \$5,000 for web and software design, \$10,000 for marketing and an additional \$5,000 for incidental costs. The service innovation is worth the investment as the benefits far outweigh the costs involved. The service is also justified, as it addresses the current need to reduce the uncertainty and negative experiences associated with making purchases online, and the innovation has a very high rate of potential success as 97.5% of survey respondents stated they would be likely to use the service if it was implemented (appendix 16).

Word Count: 2 420

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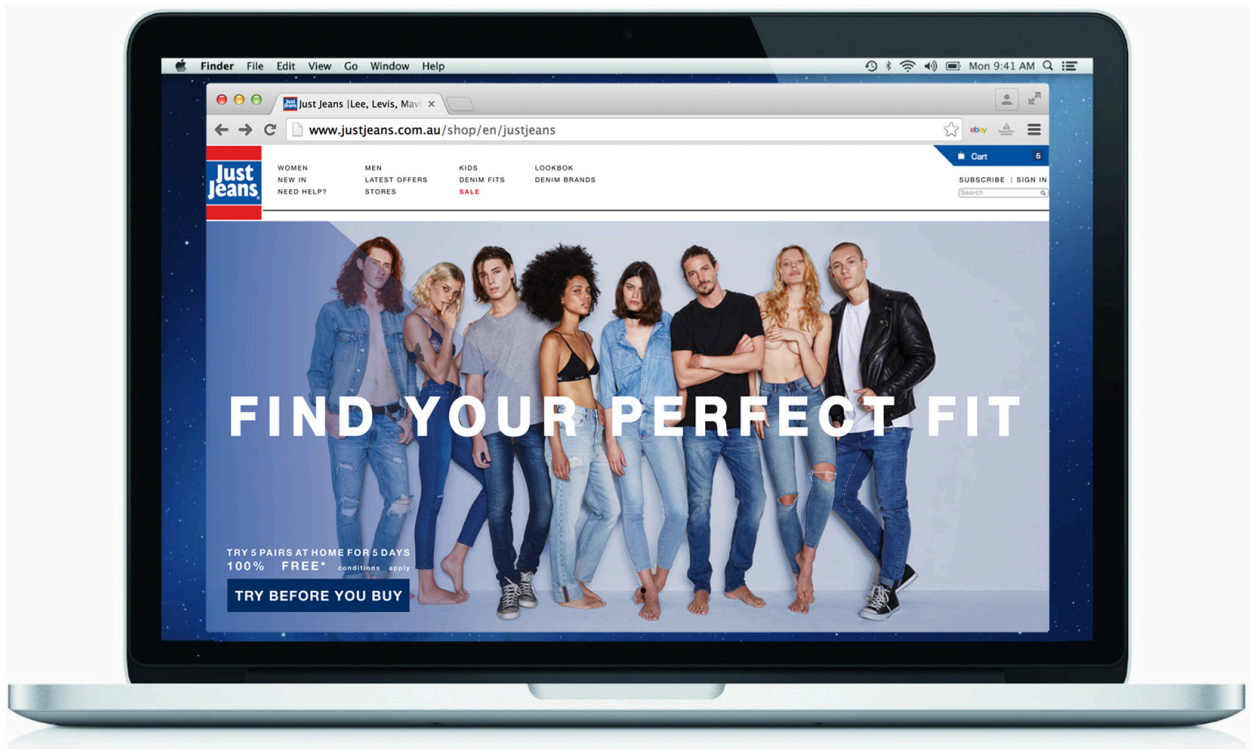
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Appendices

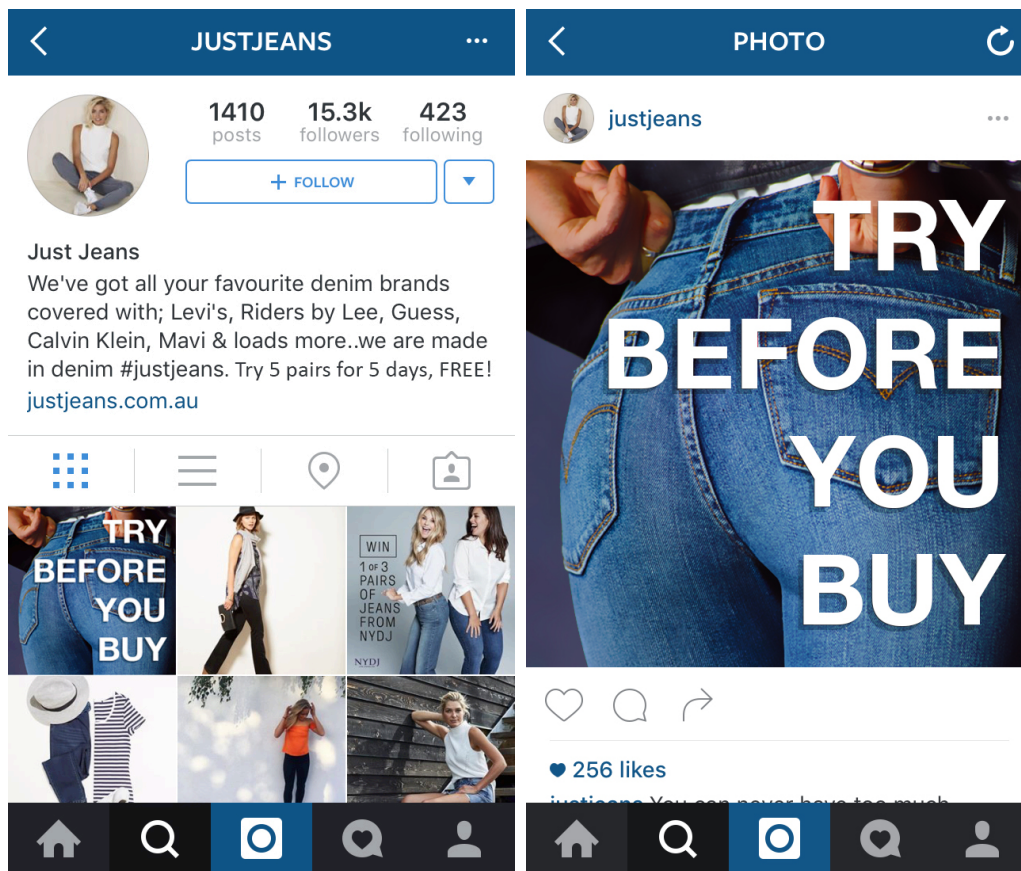
Appendix 1 – Homepage Redesign



Appendix 2 – Paid Endorsements



Appendix 3 – Instagram Promotion



Appendix 4 – Terms and Conditions

TERMS AND CONDITIONS
Maximum of 5 pairs of jeans per order
There is no restriction on jean style or size selected
Only valid for full price items
The service is free if you purchase one or more pairs of jeans. You will be charged a \$15 service fee if all jeans are returned after the try on period
Your payment details are required as an insurance policy, no charge will be made unless a pair of jeans is purchased, or if no jeans are purchased a \$15 service fee will be charged
Returns must be received within 21 days of the completion of the 5 day trial
All returns must be made online, not in store
All returns must be made in the pre-paid post parcel provided
All returns must be in the item's original condition, unworn with all labels and tickets attached.
For any jeans not returned or pairs that are returned damaged, your credit card will be charged the full amount of the retail price

Appendix 5 – Frequently Asked Questions

FREQUENTLY ASKED QUESTIONS
How Much Does 'Try Before You Buy' Cost?
You will not be charged unless you decide to purchase a pair of jeans after the 5 day trial period. Your payment details are only used in case that one or more pairs of jeans are not returned. If you decide to keep one or more pairs of jeans you will be charged the retail price for those pairs and return any unwanted jeans at no cost. If no purchase is made and all jeans are returned you will be charged a small service fee of \$15.
When Does The 5 Business Day Trial Period Start?
The trial period begins on the day your goods are received. All orders are sent via registered post to ensure you get it. Just Jeans allows for delivery time for your return. All returns are to be made within 5 business days of receiving the parcel.
What If I Am Unable To Return The Parcel Within The 5 Day Trial Period?
In the case you haven't returned the goods within 14 business days the full order amount will be charged to your card. You are then able to follow regular Just Jeans return policy and have 21 days to return the items. Once the items are received back to Just Jeans you will be refunded the amount paid.
When Does The 21-Day Return Policy Start?
This starts at the end of the 5 business day trial period.
Why Has My Card Been Charged If I Returned The Jeans?
In the unlikely event your card has been charged after returning your jeans it most likely means Just Jeans did not received the return within the 14 business days (allowing for delivery time) As soon as the returned goods have been received you will be reimbursed the full amount paid immediately.
Can I add other items that aren't jeans to my online order?
At this stage, all 'Try Before You Buy' orders must be made separately and can only consist of a maximum of five pairs of jeans. If you wish to add another item from another product category, you will need to place a separate order.

Appendix 6 – Survey Questions

1. Do you shop online?

- Yes
- No

2. How often do you buy products online?

- Always
- Often
- Sometimes
- Rarely
- Never

3. How comfortable are you buying products online from a company you know?

- Extremely comfortable
- Very comfortable
- Moderately comfortable
- Slightly comfortable
- Not at all comfortable

4. How confident are you that your personal information is kept confidential when buying products online?

- Extremely confident
- Very confident
- Moderately confident
- Slightly confident
- Not at all confident

5. Which payment method do you use most often when buying products online?

- Credit card
- Debit card
- PayPal
- Bank transfer
- Other (please specify)

6. Do you feel confident when asking to try different sizes in store?

- Extremely confident
- Very confident
- Moderately confident
- Slightly confident
- Not at all

7. How often do you return apparel bought online?

- Always
- Often
- Sometimes
- Rarely
- Never

8. What types of apparel do you typically buy online?

9. What are your biggest concerns about buying jeans online?

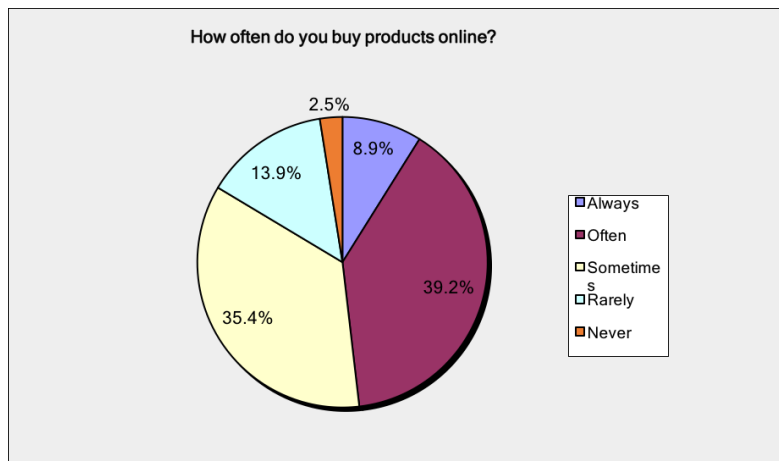
10. If offered, how likely is it that you would use a "try before you buy" option when online shopping?

- Extremely Likely
- Very Likely
- Moderately Likely
- Slightly Likely
- Not at all Likely

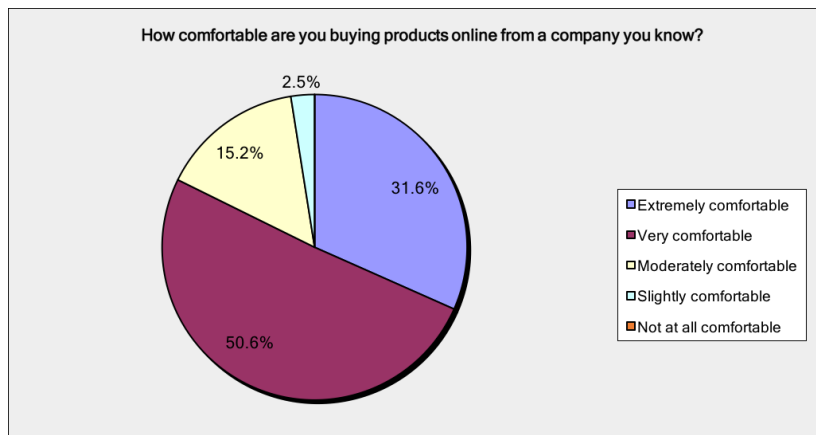
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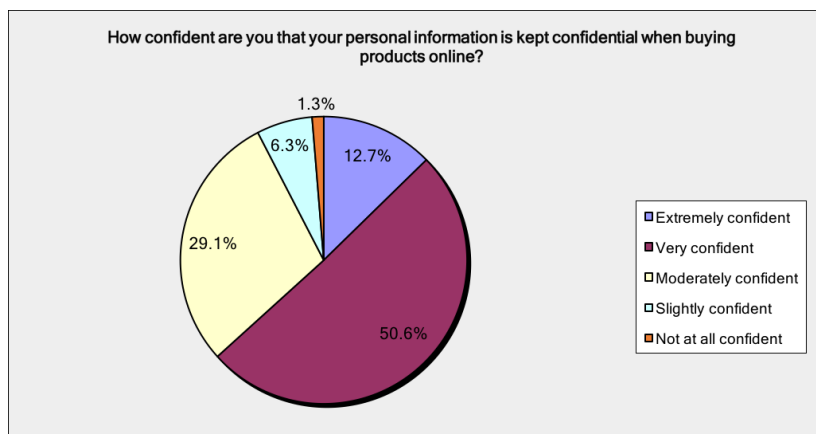
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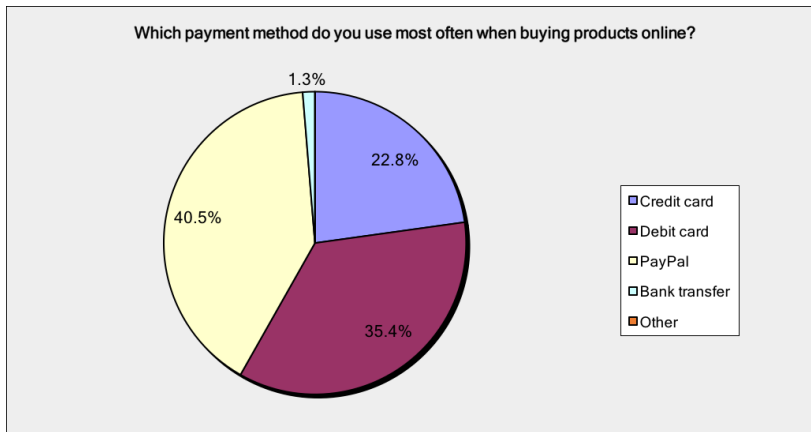
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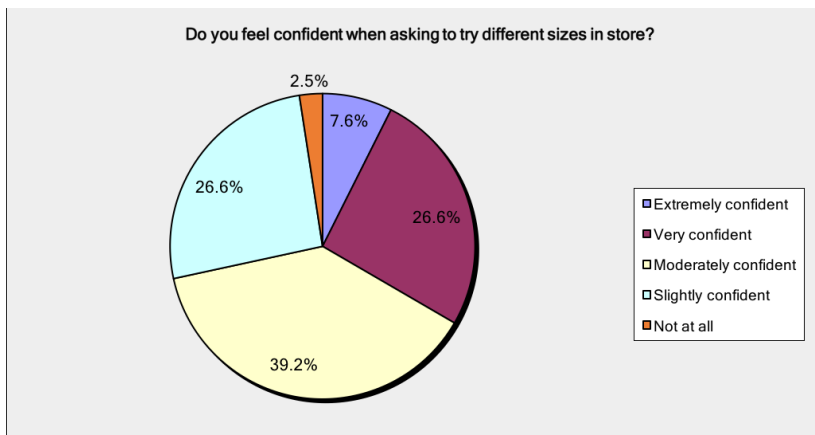
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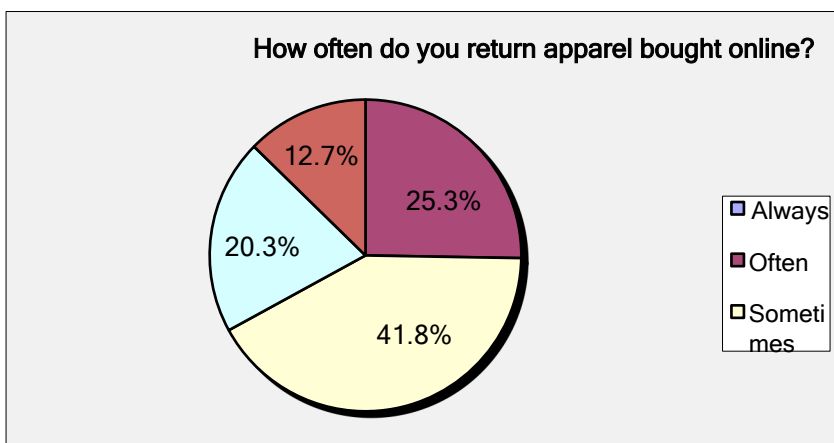
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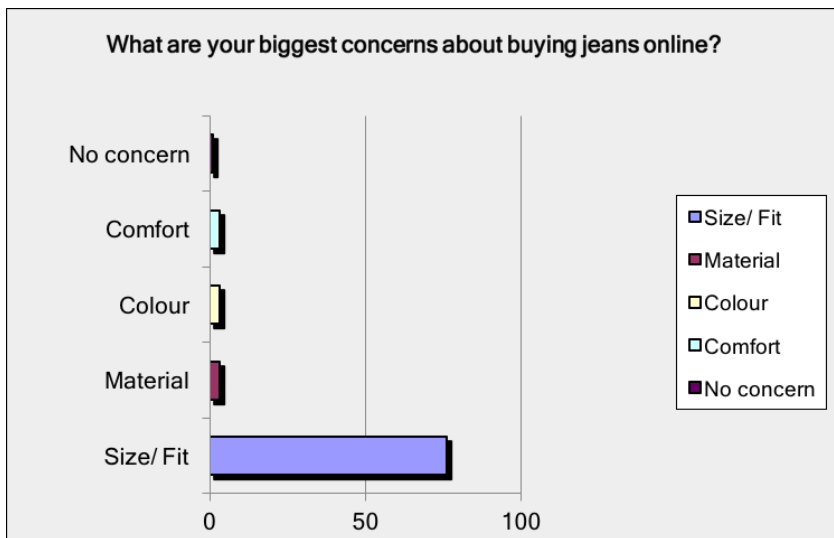
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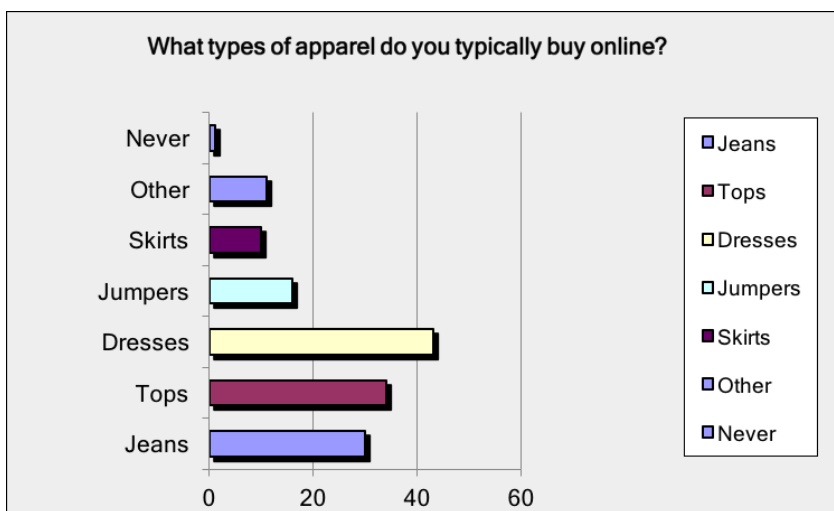
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Appendix 14



Appendix 15



Appendix 16

