MASTER’S THESIS

SUCCESSFUL FACTORS AND BARRIERS FOR E-COMMERCE BUSINESS WITHIN THE FASHION INDUSTRY

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ACRONYMS

B2A - Business to administration
B2B - Business to business
B2C - Business to consumer
BUMMAT model - Business Model for Customer Channels Supported by Multiple Access Technologies
C2A - Consumer to administration
C2C - Consumer to consumer
CMS - Content management system
CR - Conversion Rate
EDI - Electronic Data Interchange
EDIFACT - Electronic Data Interchange For Administration, Commerce and Transport
EDINT - Electronic Data Interchange on the Internet
EPSs - Electronic payment systems
GTDI - General-purpose Trade Data Interchange
ISO - International Standardized Organization
NC - Number of Unique Visitors Who Become Customers
NV - Number of Unique Visitors
OBI - Open Buying on Internet
SABER - Semi-Automatic-Business-Research-Environment
SMM - Social Media Marketing
1 ABSTRACT

Trade is a significant part of the organization of human life and technology is constantly evolving and becoming more complex. The speed of online sales in the global fashion market is growing very fast. The Internet is becoming more accessible and understandable. The transformation of the modern buyer is expressed in the dominant need for speed and convenience of shopping.

The main research studies today focus on the organizational part of the online business. However, there is a lack of study in all areas of online stores, ranging from the organizational parts to the technical components of the online store.

This thesis aims to determine successful factors and principal barriers for electronic commerce in the fashion industry. Research starts with literature reviews in order to find relevant theoretical models as a basis. Considering the previous literature review, the chosen BUMMAT model (Jarvela & Tinnila, 2000) has been applied in order to develop and analyze a business from the general level, identify the different participants and their roles, and also the different ways of acting and describing all processes from the end user perspective. To collect empirical data, the three largest fashion e-commerce international retailers were analyzed within the theoretical model and were also compared with each other in order to extract conclusions.

Therefore, successful factors and barriers are identified and analyzed. Furthermore, areas for improvement were also discussed in this thesis.
2 INTRODUCTION AND OBJECTIVES DEFINITION

The introduction chapter will be explaining the purpose of this research. Background, as well as research questions and limitations will be presented.

2.1 Background

The e-commerce market is growing at an accelerated pace (Statista, 2019). According to DPD group analysis (2018) fashion is the most popular category for customer purchases online with the rate of 47%. Online shopping is becoming more popular and it encourages companies to be adaptable and adjust to market changes, concentrating on companies’ resources and customer service. The decisive factors to users who begin to utilize online platforms for purchasing are convenience, a wide range and relevance of offers. (Duarte, 2018)

Today, there are a lot of ways to access online shopping. Modern customers are used to shop using different devices and most commonly via smartphones. The popularity of using smartphones requests an appropriate payment solution for customers. (Wei & Zhou, 2011)

According to the McKinsey & Company's The State of Fashion report (2018), many purchasers now wait for perfect functionality and a very fast customer support at anytime. They get used to fast delivery times, as market players constantly compete in this area. Customer attention is also directed to new channels of communication. This has a profound impact on fashion, since social media, peer reviews and influencers affect purchasing decisions.

Nowadays, there is a large amount of research dedicated to organizational components of e-commerce describing e-commerce business within a general level, but there is a need to provide deeper analysis based not only on a business viewpoint, but analyzing it from different points, such as the end-user perspective and technical components. Well managed interaction of all parts of the business can be key to the successful organization of e-commerce businesses in the apparel industry (Tuunainen & Rossi, 2002).

2.2 Purpose

The purpose of this work is to recognize and outline the successful factors for well-organized and functional online business in the apparel industry. Moreover, the purpose of the work is to consider on one hand, barriers that fashion e-commerce challenges nowadays and on the other, areas for improvement.

2.3 Limitation
This thesis is limited to B2C e-commerce fast growing fashion companies with international sales.

2.4 Outline of the thesis

This work aims to answer two research questions. These questions are related to the comprehension of successful factors, barriers and undeveloped areas in order to build successful e-commerce businesses within the apparel industry

**RQ1. What are the successful factors for e-commerce business within fashion industry?**

**RQ2. What are the barriers related to e-commerce which fashion industry is facing and areas to improve?**
3 THEORETICAL FRAMEWORK

The purposes of literature review is to provide understanding of electronic commerce in fashion retail and its development and study from academic and online sources successful factors and challenges in ecommerce business within the fashion industry. Theoretical framework was created on findings from the literature review and an appropriate model was used for further practical implementation.

3.1 E-commerce

This chapter will be explaining the definition of e-commerce, defining types of e-commerce and describes the development of e-commerce and process of its adaption.

3.1.1. Definition of e-commerce

Due to the fast development of the Internet around the world the popularity of online trading has been expanded. Today, almost any goods and services can be obtained through the Internet. In academic literature there are different approaches to define electronic commerce. The determination of e-commerce, according to the World Trade Organization: “the production, distribution, marketing, sales or delivery of goods and services by electronic means”.

Clarke (1999) determines the electronic commerce as the conducting of commerce with help of telecommunications and instruments based on telecommunications. Another definition of electronic commerce is given by Zwass (1996) The author defines e-commerce as sharing of information, keeping business relationships and providing commerce transactions with the help of telecommunications. Summarizing these definitions, e-commerce can be described as an economic area which includes commercial transactions by means of electronic methods, where goods and services are carried in electronic or in intangible or tangible manners.

3.1.2. Types of e-commerce

Electronic commerce is usually separated into the following classifications:

1. Business-to-business (B2B). The kind of electronic commerce which cover all levels of interaction between companies and businesses. This type consists of online wholesaling where organizations sell materials, products and services to other businesses through online trading (Nanehkaran, 2013).
2. Business-to-consumer (B2C). This type of electronic commerce refers to the interchange of goods and services through the internet between online stores and individual customers.
The inceptions of web based business goes back to the 1990s. With expanded web use, numerous organizations saw the advantages of selling directly to buyers through the internet.

3 Business-to-administration (B2A). The cooperation of business and administration contains business relations of commercial structures with government organizations, varying from local authorities to worldwide associations.

4 Consumer-to-administration (C2A). The C2A type is the least developed, but it has a notable high potential that can be utilized to sort out interaction between government agencies and consumers, particularly in the social and tax fields.

5 Consumer-to-consumer (C2C). It means the capacity of consumers to cooperate for the interchange of commercial information. This might be the trading of involvement in the procurement of any product, the exchange of experience of interaction with a specific organization and more.

3.1.3. Development of e-commerce and process of adoption

Attempts to use the electronic commerce system as an instrument for providing services and selling goods have been made for a long time. The beginning of their implementation dates back to the advent of electronic computers in 1950-1960.

One of the first electronic applications to provide services was a transport program for booking tickets-SABER (Semi-Automatic-Business-Research-Environment). This system allowed citizens to reserve seats for flights, which reduced the cost of services.

In 1968, the American Committee created a model for electronic exchange of information between companies - EDI (Electronic Data Interchange), which was called ANSI X.12. This model assumed the union of the three already existing transport systems: aviation, rail and road transport.

This method (EDI) of integrating business with information processes allowed to transfer commercial data from one computer system to another, which contributed to the effective interaction of business partners.

The mechanism of action of EDI is the direct exchange of business and commercial information between electronic systems in a form that is suitable for processing.

Besides the United States, the issues of electronic information exchange in the second half of the 20th century also worried other countries, in particular, England and Sweden. As a result, they formed the Economic Commission for Europe adopting one more standard – GTDI. As a result of these developments, two European (GTDI) and American (EDI) systems emerged, which in turn led to the need to combine them to create a single system.
Later, the international standard EDIFACT appeared on the basis of GTDI. However, in 1997, appeared the Internet - another more promising possibility of electronic data exchange.

Due to the cheapness of the Internet, as a way to transfer data compared to e-mail, it became necessary to create a standard based on the Internet e-mail - EDINT. In 1997, on the basis of EDINT, the OBI standard was created. However, it differs.. OBI is focused on an open e-commerce system and involves a wider range of issues of cooperation between companies and organizations engaged in trading activities.

Despite the fact that the implementation of EDI has been slow due to the difficulties of combining with applications of companies and a relatively small number of partners for interaction, the number of users of EDI has increased significantly in recent years.

Today, almost all companies submit commercial information in electronic form - in the form of electronic files. However, when using the same data, they use different application programs.

In 2003, the AS-2 format was created that combines EDI and the Internet. With it, it was possible to exchange information through the http protocol, which is used to view web pages.

Thus, with the evolution of information technology - the emergence of various data transmission standards (EDI, GTDI, EDINT, OBI), formed the basis for the functioning of electronic commerce (Bragin, 2012).

Hereby the rapid expansion of e-commerce began and according to many data statistics, the number of sales in electronic commerce increases every year.

Retail online transactions globally were 2290 billion US dollars and are expected to increase significantly in the following years, according to Statista (2018). Thus, in accordance with this source worldwide e-commerce sales are predicted to indicate a 20% growth, which is a significant number for commerce and surely a consistent trend without any indications of decrease.
Thus, e-commerce is stably increasing worldwide with no tendency of decrease for 2018 and for the following years. Electronic commerce keeps to be a demanded option for investments and new businesses, although further growth will encourage rising competition.

### 3.2 E-commerce in the fashion industry

*This chapter aims to define e-commerce within the fashion industry and define stages of digitalization in fashion industry. In order to define successful factors and challenges for online-shops within the fashion industry, several theoretic models are considered.*

#### 3.2.1 Overview of the fashion industry

The apparel industry stays a continuous source of growth for the economy all over the world, and also makes a significant contribution to the development of many national economies. The first fashion determination in the scientific manner emerged in the late XIX - early XX centuries. The definition appeared in the works of the American economist Torstein Veblen and
the Georg Simmel, German sociologist. In their opinion, fashion appeared in the elite sector of society with the purpose to underline its difference from other social levels. Change and novelty are characteristics which define fashion.

In the 1890s till the 1960s, apparel production was unpopular, but then, it gradually turned into mass production and became an industry. Fashion was converted into an independent sector of the economy, which consists of the production of goods, consumption and sales.

High importance made the division of the fashion economy into “haute couture” products (individual offers just for the elite sector) and “pret-a-porter” (mass producing of clothing for the middle class, where the designers take into account real production capabilities). When mass production in fashion sector became more popular, the impact on the economy was high.

Information about new styles is spreading more quickly with the Internet evolution especially amongst young people, increasing customer’s interest in new purchases, thus keeping a high need for fashion goods.

Today, fashion is determined as a wide definition for products and markets associated with style, with goods such as clothing, shoes, and accessories. The life cycle of these kinds of goods is short, variability is high and it is complicated to predict demand. (Christopher et al., 2004).

3.2.2 Digitalization of retailing

Our lives are affected by transformations in the digital sector and the retail sector is not an exception. The fashion sector is facing many changes nowadays.

People today are connected to mobile devices and online channels constantly. Online shopping begins to be the best and most convenient way of purchasing goods for many consumers. Fashion retailers aim to reach out to customers by personalized communication and by giving an entertaining experience.

Existing business models in the fashion sector are tested by new rivalry and developing shopper expectancy as the sector has progressively moved to the web. Modern business models exploit digitalization and customer expectations, demanding managers to comprehend and respond to the evolving retail at a quick pace (Hänninen, Smedlund & Mitronen, 2017).

Digitalization has quickened the move from physical goods to service-based businesses (Suarez, 2013). These changes affect fundamentally how retailers compete nowadays and how they communicate with the consumers.
Traditionally, in the fashion business, retailers compete first of all on prices, selections and locations (Burt & Sparks, 2003).

Nowadays, it is becoming a crucial factor to find new ideas and conceptions which are able to add value to consumers through information technology. Recent studies show how the acceptance of electronic commerce by fashion firms has a good effect on productivity of retail companies and justifies the acceptance of modern business models by retailers.

These new models are expected to make full utilization of the progress in information technology. For shoppers, digital business models make more potential outcomes to satisfy needs through the help of new forms of digital interaction between consumer and retailer. (Sashi, 2012), customer experience (Weill & Woerner, 2015) and consumer value (Grewal, Levy & Kumar, 2009).

As a result of digitalization, the new concept of multichannel and omnichannel has appeared in the retail literature. These concepts explain how the fashion business can build a coherent customer experience regarding the retail channel (Lemon & Verhoef, 2016). According to Blitz (2016) thriving omnichannel and multichannel seller first of all center on customer value and after that on shareholder value in short-time perspective.

According to Google, 85% of users begin the process of buying on one device, and complete on the other, using smartphones, tablets, monitor screens. Customers use all of these medias to search for products and services, compare prices, view reviews. Information retrieval is an integral part of the buying process, and can occur in any digital environment, thus, brands need to “be reachable” on all the above channels.

According to the e-shopper barometer online results of 2018 (Figure 2), the highest rate of 47% goes to purchases of fashion types of goods. “Shoes” follows in chart with 39%.
Consumers can see rapid changes in the world of online marketing today - new technologies are taking e-commerce beyond the desktop. As the online shopping industry is increasingly intertwined with retail, we expect to see technologies that combine the digital and physical world into a single holistic system to provide customers with the most high-quality customer experience.

3.3 Successful factors and challenges for online-shops within the fashion industry. Main problems and main opportunities.

To investigate the success factors and barriers for online business in the retail industry, it is necessary to consider it from different aspects. Many models and theoretical frameworks are available in academic literature in order to research fashion business from a wide perspective.

Burt and Sparks (2003) describes the retail process as 5 steps: 1) sourcing of products, 2) stock holding, inventory, and merchandising, 3) marketing, such as branding, 4) selection by customers, ordering, payment process and finally, 5) delivery of goods by or to the consumer. But, the model described as a process missed out some phases and functions which maintain the online business processes.

The research model by Holloway and Beatty (2008) considers factors influencing satisfaction and dissatisfaction of customers purchasing online. The model consists of 4 phases: information,
agreement, fulfilment and after-sale phase. This model is a perfect instrument in order to describe customer behavior and all the points affecting it, but it is still too narrow in the case of this master’s thesis, which needs a wider description of all the processes involved in the successful building of an online-shop.

Figure 3. Research model by Holloway and Beatty (2008).

Jarvela and Tinnila (2000) developed the BUMMAT-model (Business Model for Customer Channels Supported by Multiple Access Technologies) which helps to identify the different participants, their roles, various manners of behavior and describe all processes from the end user perspective.
Based on models above, the main blocks to consider are:

Customer channel, Customer access, Technical components and Content
Customer channels display traditional trade processes and consist of blocks such as Marketing, Financing, and Ordering and Delivering parts of business process. Customer access is dedicated to the possible ways of access for customers. Technical components describe all information flows on the web site. Finally, the content part includes visual image of the site, its appearance and usability.
The master’s thesis takes this framework as a basis for further research.

3.3.1 Channel operators

According to BUMMAT model channel operators consist of four main blocks: marketing, finance, ordering and delivery. This chapter will describe each of the blocks.

3.3.1.1 Marketing

Marketing includes activities which enable and cause customers interest in making a purchase. These activities include advertising, promotion, pricing, customer relations and sales management. (Porter, 1985).

Having an e-commerce web-site does not generate e-commerce sales automatically. Marketing in e-commerce is a very important aspect in order to achieve profit in the apparel business. The purpose of marketing efforts of stores is to increase sales online. This concept is common and can be applied to any business related to trade. Numerous participants in this segment of commerce create whole online specific marketing divisions.

In order to involve more customers, the retailers attempt to lead them to websites by using both traditional way and modern marketing instruments such as Instagram, Facebook, Twitter, etc. One of the most important ways to increase sales is brand building by means of social media such as Google. Building a brand plays a key role and makes the retailer differ in the wide marketing
Internally owned brands are a significant part in differentiation as well as increasing profitability. Corporate branding can be an important effect of electronic commerce, and as a result companies will invest in developing of brand higher costs. (Burt & Sparks, 2003)

Profitability and success will be guaranteed if the company has high sales. Moreover, companies with high sales have a high competency in the fashion market. Online marketing aims to attract the maximum number of visitors to the web by creating favorable conditions. Sales will definitely increase in the case that there are a lot of visitors. Speaking about the expedient online marketing, it is important not to miss the moment of the appearance of the visitor - the potential buyer and to do everything possible to make them stay on the web for longer. A customer returning to the store is considered of high success for the business, re-purchasing and the prospect of turning the buyer into a regular customer. There are a lot of ways to attract potential customers in the future, but there are many differences in this issue.

Being engaged in marketing in a new market environment, recommended study the specifics, especially if the store exists only on the Internet. Although the basic rules and techniques of marketing will also be suitable for the Internet. Based on the huge number of users of the world wide web, there are a lot of potential buyers. Marketing work for the online store always focuses on the demand of goods or services. If the product is in demand, then success is possible. It should be taken into account the competition in the market of online stores. On the condition of a certain novelty of goods, it is necessary to make advertisements in order to be heard about. Of course, this requires financial resources, most often considerable ones. The simplest task of determining the demand for a product of interest is the use of search engines for this. The names of the goods are entered into the search engine and at the same time, we see the supply and demand for it. All online stores need advertising.

Bernovich (2017) believes that the most important successful factor for any online store is building a psychological portrait of a customer. When the need of the buyer is qualitatively satisfied, the customer remembers the place where it happened and comes back for another purchase. Actively collecting feedback from customers in order to find out their unmet needs. When the need of the buyer is satisfied, it is qualitatively satisfied, then the buyer remembers the place where it happened.

Marketing includes content provider and customer access which will be details described furthermore from the end-user perspective.

### 3.3.1.2 Finance

The financing Channel is a part which maintains payments, funding and furthermore, insures transactions occurring on the online store.
Payments converts in exchange of money in an electronic way in an electronic commerce context. This conversion is determined as electronic payments. Electronic payments are an internal part of electronic commerce and one of its most important aspects. In comparing with a traditional form of payment, electronic payment is faster and more convenient.

Kalakota and Whinston (1997) define electronic payments as a way of money exchange between buyer and seller with help of electronic communications. These transactions occur in an online environment.

Electronic payment systems (EPSs) is a set of rules that allow transactions between the buyer of a product or service and a trade or service organization and provide payments from buyer to sellers in the most efficient and easy way. Electronic payments play a crucial role for the future of electronic commerce.

Generally, electronic payment systems involve the payment process:

1. Customer, buyer
2. Shop, seller of goods or services
3. Bank, as the guarantor of the legitimacy of payment
4. Processing company as a technological intermediary between all parties to the transaction.

According to E-shopper barometer online results, the most popular payment method amongst all European countries in 2018 is digital wallet. 44% of respondents make payments online through payment systems such as PayPal, Alipay, etc.

![Graph of payment methods](image)

Figure 6. E-Shopping habits, all countries 2018. Source: Dpdgroup.com

The situation in Spain particularly does not differ significantly, thus payments carried out through digital wallet still lead the chart with the rate of 54%, in second position, Visa/Mastercard payments with 41%.
EPS has the following purpose in order to promote certain goods and services via the Internet:

1. Electronic payment systems allow receiving payments more quickly and speed up the process of delivery of any product or service to the final customer.
2. Use of the most popular electronic payment systems of the global level allows e-commerce companies to increase sales growth. Customers trust leaders in the electronic payment system market and their contribution in sales growth.

But besides the simplicity of payments, there are risks that can stop the buyer from a possible purchase. To prevent frauds, electronic payments should be protected.

Payment systems protect payment transactions in order to avoid making payments by hackers. Firstly, encrypted protocols are used. Secondly, each payment is often protected by confirmation using the code sent via SMS to the phone number registered by the customer. Transactions in the payment system with plastic cards or electronic wallets can be additionally protected by binding to a specific computer or IP address, as well as time-limited authorization methods - this helps to avoid logging in another user on public computers. (Urs, 2015)

Each payment system aims to certify the participants in the transaction, both - the seller and the buyer. In order to receive a certificate in an electronic payment system, a user is required to provide identification data (e.g.: a passport). Organizations provide legal documents confirming registration and the availability of relevant licenses for the activities provided. Payments made through Internet should have reliable and secure methods to authenticate customers and reduce risks. (Urs, 2015)
3.3.1.3 Ordering channel

Ordering Channel cover the administration of orders, guarantees, consumer complains and other issues regarding to ordering processes.

Order processing is the most critical stage in online store sales. From its result depends on customer loyalty.

Shopping behavior consist of browsing, comparing, evaluating, and decision-making processes (Lim & Dubinsky, 2004). Before making a purchase user browse available information about items, such as product description, visual content, terms of ordering, delivering and returns. After comparing and evaluating all the available options, consumer start decision-making process. (Ha & Stoel, 2004). It is crucial for online shop to provide all possible information for the customer, such a quality visual content, clear ordering instruction and wide choices for contact form. This form credibility for customers and make them trust. (Chen & Chang, 2003)

3.3.1.4 Delivery channel

Delivery channel includes activities such as deliveries through the warehouses to the final customer, moreover regulating after-purchase services. (Kallio, 1999).

After the customer has made an order, information about it enters the database of the online store. The account manager must contact the customer, confirm the purchase and send a request for order picking and delivery to the logistics company.

When bulk deliveries can be organized to stores weekly, delivering of orders placed in online store to customers requires more frequent and fast deliveries, because customers expect the delivery at the same day, thus, delivering can be realized at the same day and seven days a week (McPherson, 2015). A traditional distribution way to a physical store do not cover the need of electronic commerce. (Graves, 2013).

Distributions of goods plays important role and form significant part of customer experience. (Graves, 2013). Distribution impacts value proposition and delivering experience can be a reason why customer can switch retailer. That’s why it is extremely important to give a good delivering experience to customers.

The key success factors for delivering in e-commerce businesses are time, care, possibility of trucking, packaging and condition of product, missed delivery and post-sale customer care.

According to E-shopper barometer online results among all European country in 2018, 79% of
buyers prefer their parcels to be delivered at home. In case the customer is out of home at the moment of delivery, the logistic company has to make a second intention to deliver the parcel. This factor is very important for customer satisfaction.

![Figure 8. E-shopper habits 2018. Source: dbdgroup.com](image)

Another the most common options for delivering are delivering to a parcel store or to a post/office where the customer pick up ordered goods. It is crucial to offer various delivering options to client to fulfill customer satisfaction and keep its demand on the product. (Lee, 2016)

Returns is a very important factor in order to provide successful delivery system for online-shops in fashion industry. (Graves, 2013)

According drivers and barriers for online shopping published on dpdgroup.com, 76% of respondent complicated return process will prevent them from buying online. Moreover, having to pay in case of return will prevent from online orders 75% of customers.

To be successful online it is crucial for retailers to comprehend the key drivers of satisfaction about returns and value perception. Furthermore, it is important to understand broader the meaning of returns in order to achieve customer loyalty (Boyer et al, 2007).

The reasons of returns vary widely. The most common are:

- Wrong size, product
- The description of product is incorrect
- Product didn’t meet expectation of customer
- Returns in holiday seasons (goods, purchased as a gifts in holidays season are returned more frequently).
- Product was delivered damaged.

Some of these reasons can be managed and avoided by the retailer, e.g. damaged or defective product, delivery issues, and providing correct and detailed description of product.
3.3.2 Customer access

There are a lot of possible ways to attract potential clients to the web store. It includes traditional ways such as newspapers or magazines, or channel as TV, internet.

According to Dpd Group E-shopper barometer online results 2018, majority of respondents among all European countries with 60% access to online shops to order from their personal or professional laptop. 50% of respondents use desktop computer and 50 and 45% of respondents use a smartphone or tablet.

Figure 9. E-shopping habits 2018. All countries. Source: dpdgroup.com

Analysing data from the same source it can be concluded that customer access to the web from their tablets or smartphones in both ways: using application or search directly web of the store in the internet browser.

Figure 10. E-shopping habits 2018. All countries. Source: dpdgroup.com

In order to attract visitors to the website, modern retailers need to use traditional as well as a modern marketing instruments such as Instagram, Facebook, Twitter etc.

Social networks are big and potential platform for product promotion. Using the right approach social network promotion can lead to very good results. (Mingazov & Makashova, 2015)

Nowadays almost all companies include SMM (Social Media Marketing) as a promotion strategy.
SMM is an activity which includes advertising and information activities. Social Media Marketing basically aims to disseminate information about the advertised product in social networks and the blogosphere by means of creating a community of targeted consumers and managing it.

According to authors Mingazov & Makashova (2015) with SMM can be accomplished following tasks:

- Product promotion;
- Raising awareness;
- The formation of a social concern of a service or a service;
- Increase in attendance with the company website.

Today the most popular social network for selling online is Instagram. According to Business.instagram.com this social network has more than one billion active users and regarding expert estimation it has intentions to growth in future years.

This social network is commonly known as “visual” social media platform because it’s generated by sharing of photos and videos. Instagram was created by Kevin Systrom and Mike Krieger and in 2012 the network was bought by Facebook.

According to Instagram, 80% of users follow at least one business profile on the application and 60% of them heard about a product or service through the platform. Based on statistics on March 2017, over 120 million Instagram users visited a website, get directions, called a business, emailed or direct messaged a business.¹

According to the same source, around 30% of Instagram users bought product or ordered service that first found through the platform.

Instagram analytics through business profiles allow to get data about impressions and reach per post, moreover data of demographics. This data allows to see how each post is performed and what audience has profile.

Instagram is an important social network for fashion business. Modern and interesting page on this platform can play very important role in order to create successful fashion store.

### 3.3.3 Content provider

This part includes visual image of site, its appearance, clear description of the product etc. Content is a highly important parts on building successful online business, as it is the first what potential

¹ Source: Business.instagram.com
clients see ones come to the web site and in order to convert visitor to the buyer it is necessary to create quality content.

According to Wei et al. (2014) The key role in online shopping in fashion industry plays images due to consumers require sensory experience. A successful online shop should have product images to transmit visual information to potential buyers. Moreover, images are important because it can grab the attention of consumers and affect it emotions, creating final perception of the store. Only in case of positive affect there is opportunity that a visitor become a buyer.

The ratio of Visitors to Buyers is one of significant measure for retailers. This number is called Conversion Rate (CR). Less than 2% of visitors on fashion sites finally became a buyers (Heathman, 2014). In accordance with same author, world average statistic shows that web site has only 10 visitors per day and monthly purchase is 6.

Changes of CR can be very noticeable in terms of profits for the online store. According to Conversion Rate statistic on Growcode.com Average ecommerce conversion rate is 1.94%. This data is based on 13 studies which were published over the last 5 years.

The way to calculate Conversion rate is to divide number of unique visitors which became a customers, by the number of total amount of unique visitors. However, customer returns data are normally excluded from the equation.

Thereby, the equation is: CR = NC ÷ NV

Where:
CR = Conversion Rate,
NC = Number of visitors who became a customers,
NV = Number of unique visitors.²

According to Rakuten Statistical data in 2017, the majority of visitors (40% of respondents) leave the online-shop page without purchase due to the functionality of web.

² Source: www.techopedia.com
The conversion is affected by the functionality of the site itself, the content of the web. Thus, effective website design is a key element of web site functionality. The key element of design is usability of it.

The International Standardized Organization (ISO, 1998) determines usability as a measure where users can reach desirable tasks in effective way (fullness and precision of the task), with efficiency (spent time on a task), and customer satisfaction. Nevertheless, there is no agreement on how to measure this term properly. (Lee & Kozan, 2012) According to Nielson (2012), usability is associated with learnability, efficiency, memorability, errors, and satisfaction. Meanwhile Palmer (2001) believes that usability can be characterized by loading speed, navigation, content, interactivity and feedback.

Successful web design of fashion online store consist of elements, such as Navigation, Graphic representation, Organization, Content utility, Purpose, Simplicity and Readability. (Garett et al., 2016)

<table>
<thead>
<tr>
<th>Key elements</th>
<th>Definition</th>
</tr>
</thead>
</table>
| Navigation   | - Salient menu/navigation bar  
               - Consistency of navigation bar  
               - Aids for navigation (e.g., visible links)  
               - Easy access to web pages (e.g., no excessive backtracking/clicks and reach through multiple pathways)  
               - Search features  
               - Users feel in control/ease of managing |
<table>
<thead>
<tr>
<th>Graphic representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Images</td>
</tr>
<tr>
<td>• Size and resolution of images</td>
</tr>
<tr>
<td>• Multimedia content (e.g., animation or audio)</td>
</tr>
<tr>
<td>• Color, font, and size of text</td>
</tr>
<tr>
<td>• Distinct logos and icons</td>
</tr>
<tr>
<td>• Visual attractiveness/layout</td>
</tr>
<tr>
<td>• Color schemes</td>
</tr>
<tr>
<td>• Effective use of white space/avoid visual overload</td>
</tr>
<tr>
<td>• Minimizing loading time for visual elements</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cognitive mapping/architecture</td>
</tr>
<tr>
<td>• Understandable structure</td>
</tr>
<tr>
<td>• Logical organization</td>
</tr>
<tr>
<td>• Hierarchical/sequencing organization</td>
</tr>
<tr>
<td>• Systematic information arrangement and categorization</td>
</tr>
<tr>
<td>• Consistency</td>
</tr>
<tr>
<td>• Meaningful labels/headings/titles</td>
</tr>
<tr>
<td>• Keywords</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Content Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sufficient amount of information to attract repeat visitors</td>
</tr>
<tr>
<td>• Arousal/motivation (keep visitors interested and further explore the site)</td>
</tr>
<tr>
<td>• Content quality</td>
</tr>
<tr>
<td>• Current/up-to-date information</td>
</tr>
<tr>
<td>• Relevant to the purpose of the website</td>
</tr>
<tr>
<td>• Users’ needs and requirements/perceived utility</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unique identity</td>
</tr>
<tr>
<td>• Intended purpose of visiting/expectations</td>
</tr>
<tr>
<td>• Type of interaction</td>
</tr>
<tr>
<td>• Organizational attractiveness</td>
</tr>
<tr>
<td>• Visible brand/contact and organization information</td>
</tr>
<tr>
<td>• Information about service policy</td>
</tr>
<tr>
<td>Simplicity</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Simple subject headings</td>
</tr>
<tr>
<td>• Transparency of information (reduce search time)</td>
</tr>
<tr>
<td>• Website design optimized for computer screens</td>
</tr>
<tr>
<td>• Uncluttered layout</td>
</tr>
<tr>
<td>• Consistency in design throughout the website</td>
</tr>
<tr>
<td>• Ease of using (including first time users)</td>
</tr>
<tr>
<td>• Minimize redundant features</td>
</tr>
<tr>
<td>• Easily understandable features/functions</td>
</tr>
</tbody>
</table>


This detail description aims to analyze and operationalize effective website design. (Garett et al., 2016)

### 3.3.4 Technical components

Before online shop will start functional it is crucial to set up some technical elements. The reason of failure of early fashion retailing such as Boo.com was bad capacity of early websites and its immature technology possibilities. (Crewe, 2012) At that time, fashion web stores were technically, functionally and visually unattractive to users.

There are six technical components to build a successful online store:

1. E-commerce software or CMS
2. Plan upgrades, hosting
3. Site security
4. Site backups
5. Shipping software
6. Payment gateway

Setting up this technical elements aim to create an integral, sustainable store that functional correctly. (Kohler, 2015)

A content management system (CMS) is a WEB interface or a computer program that is used for:

1. Add, edit, delete information on the site (site content, for example, texts, pictures, documents, videos, documents, descriptions and characteristics of the goods);
2. Presentation of content in a form convenient for perception, navigation and search;
3. Manage the structure and sometimes the appearance of the site;
4. Publish content on the Internet.

Although web hosting in electronic commerce is invisible part for customers, it is still very important for customer’s experience. Poor organized web hosting work can have bad effect on securing the sale due to fractionally slower page which can frustrate buyers and decreasing percentage of sales would be a result.

In order to protect internet shop and provide secure purchases for customers it is necessary to have secure plan. Personal details, credit card numbers, billing addresses and other must be kept secure. Otherwise, online store can obtain bad reputation (Kohler, 2015).

SSL certificate is one of the important technical aspects. It aims to secure credit card data and other transactions details. From the technical point of view SSL certificate is a transparent protocol, which request a interaction of the end user of web by establishing protected session. There are two ways user can see that the web has a security certificate. It can be displayed as a padlock and in case of Extended Validation certificate, the address bar beside the padlock also displays a greed bar.3

Site backups allow to recover data from any accident. Any e-commerce store should set up automatic backups.

Shipping platforms aim to provide:

- Managing of shipment processes in automatic way
- Preparing shipment by creating printing labels
- Managing tracking information and automated customers alert by emails.

A payment gateway allows to charge customer’s credit / debit card for purchases made online. The payment gateway function as an mediatory between the transactions that proceed on the website

3 Source: GlobalSIgn “An introduction to SSL” www.globalsign.com
and the payment process. This is necessary because, for security reasons, it is forbidden to transfer transaction information directly from the site to the payment processor. Most online merchants accounts come with an enabled payment gateway, such as PayPal or Stripe. (Proshero, 2018)
4 METHODOLOGY

In order to resolve research questions, qualitative research was held. As quantitative research is based on statistical measures and numbers, this method is not appropriate for this thesis. However, the qualitative method has a slight inclination towards the quantitative method as some statistical data is presented in order to identify the tendency. To support this data, theoretical analysis of existing frameworks is presented gathered from online sources, academic literature and articles.

To support practical studies, the comparative analysis method will be used. For the practical analysis, relevant data was collected. In order to apply theoretical findings, three practical cases will be studied in continue. The criteria for choosing practical cases are fast growing successful and developing online shops presented in the international market area. The aim of this data analysis is presenting relevant data with the purpose of discovering useful information, to support decision-making processes and to form conclusions.

Based on previous literature reviews for the basis of analysis, the BUMMAT model (Jarvela & Tilnilla, 2000) has been selected. This theoretical framework allows describing each component of business from the end user perspective. Each of the cases will be studied and described according to chosen theoretical framework. Analysis of each case will be divided into four main blocks: channel operator, customer access, content provider and technical components in accordance with the selected theoretical model. With this approach, profound analysis and descriptions of each part of the e-commerce business is allowed.

To distinguish successful practices by comparative methods, benchmarking analysis will be applied to the work. Benchmarking is described as a constant process of the analysis of strategies, processes, functions of products or services compared with or between the best and successful organizations. This analysis is held by gathering relevant information by means of the data collection method. The purpose is evaluating an organization’s current standards and thereby to implementing self-improvement by applying changes to achieve or surpass these standards (Anand & Kodali, 2008).

Also, benchmarking is defined as a reliable method of improving business processes through the study of other companies (Anand & Kodali, 2008). According to Gülçin & Maire (1998), the benchmarking analysis is divided into three stages. The first stage is the planning stage. This stage is associated with the identification of the field of research and the type of benchmarking. The type of benchmarking conducted is also determined, in this case, it is internal and external benchmarking, according to authors Gülçin & Maire (1998). The next stage is the analysis stage which involves the analysis of each case and the collection of information about them.

Internal benchmarking analysis is concluded by the comparison of different activities inside the
studied case. Based on research literature results, the internal analysis of each of the cases will be held by divided by sections of BUMMAT model. By analyzing best practices, successful factors and problems will be retrieved for each practical case. Finally, by comparison between the cases, which is the purpose of external benchmarking study, the result will be extracted for each of the considered blocks (Gülçin & Maire, 1998).

At the final stage, before making decisions on changes or improvements, the obtained information will be analyzed and summarized. By measurement, comparison and identification of best practices within the BUMMAT model by using the Benchmarking tool, areas of improvement and successful factors for implementation will be defined. For the final conclusion, the result between each case will be compared, and similar strong points and weaknesses will be highlighted and summarized into a final result table.
5. ANALYSIS

For the practical analysis in this thesis three study cases were selected: 12Storeez, Forever21 and ASOS. The criteria of selections were fast growing online shops with a B2C international sales market. In this chapter three practical cases will be analyzed within choosing theoretical framework and determined main findings.

5.1 CASE 1 - 12STOREEZ

5.1.1 Overview

12Storeez is a Russian women's clothing brand created by twin sisters Irina and Marina Golomazdina.

12Storeez are a recognizable brand: more than 542 thousand followers on Instagram every day give them about 5,000 likes and leave at least 50 comments. 12Storeez has a large number of regular customers.

According to rbc.ru⁴ 12Storeez is one of the fastest growing brands of women's clothing: every year they increase production and sales by 2-3 times. In 2014, with a team of 3 people, they opened the first offline store in Yekaterinburg, Russia. Today, the team employs at least 300 professionals in 16 stores in 5 cities and on the online platform 12Storeez.com.

The idea is to help girls create a practical and thoughtful basic wardrobe that can be quickly updated with 1-2 fresh things. Therefore, 12Storeez releases new collections every month, not a couple of times a year, and carefully monitor the quality and prices. The goal of 12Storeez is that beautiful things could be available to every girl, regardless of age, appearance and income.

5.1.2 BUMMAT model analysis

In this chapter, the chosen theoretical framework BUMMAT model will be applied to the case.

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⁴ https://www.rbc.ru
The brand 12Storeez has more than half a million Instagram subscribers who left more than 10 million likes and comments.

On the Instagram account of 12Storeez, there is a description and links to the online store. Several stories are divided by subject. For example, accessories, sales, evening gowns. All posts are devoted to clothing. Under the stories are links to the telephone number, email address and a map where you can see the location of the store. All actions are performed in a couple of clicks, which is very convenient.

The basis of the 12 marketing campaign on Instagram is the idea of 12 collections. Every month users get the opportunity to replenish their wardrobe with fashionable things.

In addition to the thoughtful interface, the brand profile has high-quality content. Photos and videos are attractive, the models look like ordinary girls. Each photo or video is accompanied by a detailed description of the product and price. In the comments, managers respond to each question or comment.

A large number of promotions and timely information about discounts attract a large number of buyers. It is convenient for girls to receive data on discounts and updates directly on their phone. This allows the store to take part in the daily life of its customers, becoming part of it.
Particularly attractive is the fact that some of the content is not about sales, but about everyday details that make the brand even closer. You can see a video about a factory in Milan where things are sewn. Or what happened to the props after the shooting. It is interesting for many to look at the process “from the other side” - this is popular not only on Instagram: 12Storeez gives this opportunity. Opening the veil over the reverse side of the fashion business, they attract attention.

The main secret of brand success lies in humanity: there is no faceless advertising with empty slogans. Browsing through their page makes the customer feels comfortable.

In 2018, the company launched a YouTube channel, which already has 100 thousand subscribers and 2.5 million views. The company constantly generates new ideas, every day they have at least five posts, 10 stories, as well as five email newsletters and two vlogs a week. In addition, 12Storeez has a lot of content that generates their subscribers who are interested in making a beautiful photo session in 12Storeez clothes. User Generated Content is one of the most important and successful marketing strategies: the company encourages customers to share photos in their clothes, leave feedback and write comments.

Content on YouTube from the brand 12Storeez is interesting and helpful. In addition to useful clips on practical topics such as taking care of cashmere clothes, leather goods and how to properly wear oversized clothing, there are also projects that are quite unusual for the Russian market. The company launched a series of short films, a total of 12 episodes of five minutes planned. The first three are already out.

**Finance**

12Storeez offers their clients payment in cash or by card to the courier if it’s delivery in Moscow and in St. Petersburg, as well as in some other Russian cities. With other types of delivery, the client can pay for order only by prepayment in the following ways: Visa, Master Card, Maestro, PayPal and Apple Pay.

![Payment Systems](image)

Figure 13. Payment systems 12Storeez. Source: 12Storeez.com

**Ordering**

12Storeez offers instructions for customers to facilitate the ordering process. This recommendation includes the following steps:
1. Selecting a product group (item type).
2. Choosing a photo of the product from a different angle, finding out the fabric composition, available sizes and price.
3. Select the item, colour, size and add the items to the cart. Continue to pick items or proceed to checkout.
4. If the client places the order, they recommend registering on the web, or making a purchase as a guest.
5. After entering the data, client should verify and confirm.
6. Then, the client should choose the method of delivery: via courier or pick it up in the indicated stores. Then, it is recommended to check the shipping address is correct. Terms and cost of delivery are specified in the "Delivery". Also, the information will be indicated on the order page in a pop-up message.
7. Confirmation of the order.
8. Checking the correctness of the order and the selected delivery option.
9. Clicking on the “Place an order” button, the client will automatically go to the online payment page. Click on the button "Pay Order" and enter the required data.
10. After payment, the 12STOREEZ team contact to client to confirm the order.
11. After sending the order, the client receives a notification by email.
12. If there are any questions, the administration of store leave contact information, the client can contact the store by phone or email to resolve questions.

Furthermore, 12Storeez has a wide range of contact information to resolve any questions in the most convenient way. Besides the telephone number and e-mail, there are links to Instagram, telegram, viber, vkontakte or Facebook messenger. Managers of “Friendship with clients” department actively answer any questions.

**Delivery**

12Storeez offer delivery by courier services or by pick-up point Boxberry placed in more than 320 cities across Russia. For international shipping 12Storeez offers courier services with are able to deliver the order in 5 - 10 business days depending on the postcode. Delivery is available Monday to Saturday from 10:00 a.m. till 8:00 p.m., except Sunday and public holidays. Orders are packed in a 12STOREEZ box. For Moscow particularly express delivery is offered: if orders are made from 10:00 a.m. to 5:00 p.m. on working days, 12Storeez offers 3-hour delivery.

As for returns, 12Storeez has a strict policy and allows their customers to return any item within 7 days only if it is online purchase, and 14 days for offline. For Russia, returns are free and the customer has two attempts to give the item to the seller back, after that the customer should return at their own expense. In case of international return, 12Storeez offer the following scheme:
Customer access

Nowadays, a major part of fashion business goes on the Instagram platform. Exactly this way, the 12Storeez brand started their first sales, the customer could only access through their Instagram profile. Clothing produced by 12Storeez are worn by bloggers and public people, including some famous Russian celebrities like Evelina Khromtchenko, Ksenia Sobchak and others. Ivan Khokhlov, one of the founders of the company, claims that the company does not pay famous people to advertise their brand - The stars themselves are offered discounts because they like what the company does.

The main success of their multiple growths without investment money by 90% was provided by content marketing. The main promotion channel is the social media community, advertising on Google and Yandex gives less than 2% of sales.

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5 https://marketmedia.ru/media-content/milliard-iz-instagrama/
The brand has more than half a million Instagram subscribers, who have left more than 10 million likes and comments. About 5 months ago, the company launched a YouTube channel, which already has 100,000 subscribers and 2.5 million views. 12Storeez is constantly generating new ideas, every day they have at least five posts, 10 stories, as well as five email newsletters and two vlogs a week. In addition, 12Storeez has a lot of content that their subscribers generate. For example, a girl who has 10 thousand followers on Instagram is interested in doing a beautiful photo session in 12Storeez clothes, so that they can put it on social networks, and she can share it with her followers.

Furthermore, the brand develops their own YouTube channel what creates additional interest for the customer.

The company 12Storeez is the first brand in Russia who created a YouTube channel about their business and shows customers how the shop works behind the scenes. Also the brand shows the possible ways to wear their clothes and how to take care of them. This content is oriented to their customers and makes it credible for potential clients. Thus, it is a very important strategy, so that online customers can see how the product was produced and gets its description from the owners of the company.

Today the network, whose head office is now in Moscow, has grown to 15 offline stores, the annual turnover should reach 1.3 billion rubles. Online sales today bring the company 35% of the sales of their total revenue.

Next year, 12Storeez plans to open 10-15 stores in Russia and, possibly, will attract an investor for further development.

Besides the website and Instagram, customers can access the 12Storeez online shop via Russian social network Vk.com and Facebook.

However, 12Storeez has not developed the application yet, still it is possible to purchase through the web.

Content provider
Navigation

12Storeez website meets the requirements and fully displays all the necessary elements. The websites are easy to browse, access and search. Menu is divided by category, type of product. The webpage from 12Storeez looks more minimalistic, but is still very easy and comfortable to navigate.

Graphic representation.

12Storeez has a worn-out style, calm tones that correspond to the brand’s clothes and a minimalistic style. Typography associated with the brand. Font size and line height of the case make it convenient to read the site, on a computer or on a mobile device. In this case, Open Graphs is used. Open Graph was developed by Facebook experts so that the links to the sites inside the social network were displayed correctly and were informative.

Open Graph is aimed towards the user seeing relevant text and images on the preview link, to improve the site’s behavioral factors, to make the link snippet look like an independent post on a personal page or in the community.

12Storeez do not use animation, video or audio content on their main page and does not overload it.
Organization structure of 12Storeez meets all criteria such as cognitive mapping/architecture, clear and easy structure, logical organization, hierarchical structuring, systematic information arrangement and categorization, consistency, meaningful labels, headings, titles and keywords on the text description.

All these factors let user to easily explore the web.

**Content utility**

Content utility is described as a sufficient amount of information in order to attract new visitors and arouse motivation, to keep them interested in browsing the website. Moreover, the content utility is a quality of content with relevant information about the store. These characteristics must be based on the customers’ needs and requirements. (Garett, 2016) In case of 12Storeez there is a lot of relevant information, such as completed looks, links to videos how to care the product, etc.

**Purpose**

The online web shop should have a clear purpose and maintain unique brand identity. Retailers should understand clearly the intentions of users and their expectations, in accordance with this, provide information about the organization and products. Similar to the brand philosophy the web of 12Storeez adheres to, the principles of convenience and modest minimalism. On the web the story of brand is shown and the owners and creators are open and interactive with their public.

**Simplicity**

To create a simple web site, it is important to use simple subject headings, clear information and decreasing search time. Also, simplicity can be achieved by optimizing website design for computer screens, uncluttered layouts, consistency in design throughout website, ease of using (including first-time users), minimize functions and making it easily understandable.

The title of the web is the title which is used in search results. For search engines, the title is one of the main indicators of relevance, it is taken into account when ranking. The title of the web has to display the keywords. The optimal size of the title is 70-80 characters. If the text is longer, it will be cut off, and users will not be able to understand what shops are offering. Each key request does not need to be used more than once.

According to a.pr-cy.ru, an analytic tool for websites, 12Storeez has 43 characters (Online store of women's clothing - 12storeez). The number is optimal for appropriate displaying.
Another important element is the description. Description is a tag that is used to describe the page for the search robot, users do not see it. It must accurately describe the content of the page, because the search engines often use the text from the description to create a snippet. Keywords are better placed at the beginning, the text should not be repeated in other parts of the page. The optimal text size in the Description tag leaves 150-300 characters for Google.

The description of 12Storeez “Large selection of women's clothing, dresses, shirts, suits, outerwear, accessories. Delivery.” consist of 93 characters. The description is not optimal but still appropriate for correct search according to analytic tool.

PC and mobile users are used to scrolling through sites from top to bottom, not from right to left. If the user has to flip the page horizontally or zoom out to view all the content, this causes inconvenience.

Design developed for mobile devices solves two problems: it provides users with a comfortable viewing site from any device and has a positive effect on the search ranking of the site.

Figure 16. Displaying of 12Storeez on a mobile device. Source: Analysis www.a.pr-cy.ru

According to a.pr-cy.ru, the website is correctly displayed on the device.
Readability

Readability is another important indicator which can be achieved by content which is easy to read. It should be well-written, grammatically correct, understandable, presented in readable paragraphs and to have an appropriate reading level.

Recurrence rate of keywords and phrases in a text document is one of the quality indicators of the text, it shows the frequency of repetition of words in the document. "Academic frequency" equal to the proportion of repeated words to the entire text.

A high level of this rate is considered to be 8%. Such texts are often hard to read, they are spammed, and the pages where they are placed have a large percentage of failures.

The normal level of the rate is 4-6%. Almost all classic literature has this level of the rate.

The rate of 12Storeez is 7,42% which means the text is easy to read.

One of the most frequent problems of reading websites on mobile devices is that the font size is too small. Users have to constantly scale the site to read the small text and this is very inconvenient. Even if the site has a mobile version or responsive design, the problem of poor readability due to the small font is often found.

According to the analysis provided by www.a.pr-cy.ru, 12Storeez does not have optimal mobile font size for reading, it is recommended to enlarge the size in order to provide better readability to users.

According Jetstyle.ru⁶, the company responsible for content development of 12Storeez website, the CR has successfully grown by 20% due to the well organized web content.

Technical components

From the user point of view the website of 12Storeez is visually, technically and functionally appealing. According to the report of JetStyle, developers of web 12Storeez, the website, CRM and stock system instantly exchange information with each other. Even at peak times, when a new collection is released, store employees know the exact balance in stock, and customers can see if the product is available in the right size and color.

On the 12Storeez website, they merged the Instagram platform into an integrated experience.

⁶ https://jet.style
Publishing photos on Instagram is synchronized with the CRM system, thus, every posted photo appears in the system. Every publication is linked to catalogue items and appears on the website together with users feedback.

Web hosting and site backups are invisible for the user, but correctly organized, these elements provide correct displaying for the customer in general and also affect the user's perception.

Many of the Russian online stores are engaged in security issues, but almost no one brings this information to users. If the user does not know, then this does not exist and the conversion drops. Therefore, this is not enough to deal with security issues, it is necessary to tell users about this. The SSL certificate of 12Storeez confirms that the domain belongs to a real company and that its owner has the right to use the private key legally.

5.1.3 Findings

From the provided analysis of 12Storeez website, several findings were determined. The table below summarizes key points of the analysis.

<table>
<thead>
<tr>
<th>Area</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel operator</td>
<td>Marketing:</td>
</tr>
<tr>
<td></td>
<td>· The unique idea and strategy of 12 collections, which is related to the name of the company.</td>
</tr>
<tr>
<td></td>
<td>· High quality content, matching brand uniqueness.</td>
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<tr>
<td></td>
<td>· YouTube channel and active presence on social media.</td>
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<td></td>
<td>· User generated content</td>
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<td></td>
<td>Finance:</td>
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<tr>
<td></td>
<td>· Variety of payment methods</td>
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<tr>
<td></td>
<td>Ordering:</td>
</tr>
<tr>
<td></td>
<td>· Clear ordering instructions</td>
</tr>
<tr>
<td></td>
<td>· Customer support, wide forms to contact</td>
</tr>
<tr>
<td></td>
<td>Delivery:</td>
</tr>
</tbody>
</table>

43
| Customer access | · Many channels for customer access  
· Application for online shopping is not developed |
| Content provider | · Easy navigation  
· Clear graphic representation  
· Well organized structure  
· Sufficient content  
· Purpose meets company philosophy  
· Simple title  
· The size of description may be optimized  
· Correct displaying on all devices  
· Optimal rate of readability  
· Mobile font size is smaller than recommended. |
| Technical Components | · CRM and stock system instantly exchange information with each other  
· The web is visually, technically and functionally appealing |

Table 2. Findings of 12Storeez case analysis. Source: Own elaboration
5.2 CASE 2 - FOREVER21

5.2.1 Overview

Forever 21 is an American brand. The brand sells clothing, shoes and accessories for women and men.

Forever 21 brand was founded in 1984 by - spouses Chang, immigrants from South Korea. The first shop was opened in Los Angeles and had the name Fashion 21, but later the name of the brand was changed to Forever 21. The brand became very popular and its sales grew very rapidly. Thus, in just one year sales had grew from $35,000 to $700,000. This rapid development allowed them to strengthen its global position in a very short time. One after another, shops were opened throughout the United States.

According to the information on the web Forever21, the first shop in a global area was opened in 2001 in Canada. Nowadays, it is present throughout the world and currently the company is developing a chain of branded stores in Australia. In future, the brand plans to develop and launch around 600 shops worldwide within the next three years.

The web of the brand was created in 2003 and successfully launched. After that, Forever21 became popular all over the world. The first male line appeared on the web in 2006.

Afterwards, to the existing lines, the underwear collection was added. In 2009 the cosmetic line was also launched. In 2011, the brand entered the UK and opened their first shop.

Forever21 dedicated special care to the prices of their clothing. In accordance with the philosophy of the brand, prices were low as the target group is young people who cannot afford to spend more then 10 – 45 dollars for a dress.

However, there is a negative side of popularity of the brand: the company was involved in legal proceedings on several occasions. Other brands and fashion designers found similarities with their brands. Many American celebrities found similarity with their creations and designs. Lawsuits was filed against the company, accusing it of plagiarism. There are also scandals associated with the violation of labour laws by the company. Employees of the company claimed that they were paid below the minimum allowed salary, moreover the documented working hours were somewhat underestimated. There are also an information of a scandal unfolding in 2011 around the abuse of cadmium in the composition of the brand's jewelry.

5.2.2 BUMMAT model analysis
In this chapter, the chosen theoretical framework BUMMAT model will be applied to the case.

![Figure 17. BUMMAT model used to describe Forever21 case. Source: Own elaboration](image)

**Channel operator**

Marketing

The Forever21 retail store has positioned itself as a trendy and fashionable brand for youngsters. The Forever21 brand is constructed on value-based positioning strategy.

The brand revealed that their social plans include elaborating content created by millennials. Millennials look for brands which can provide them with content for their social media platforms and through the likes, comments and reposts that will be appreciated. Today, the Instagram of Forever21 has 16 millions followers.

Finance

Forever21 accepts many forms of payments:

- Visa
- MasterCard
- American Express
- PayPal
- iDeal
Forever21 offer to their clients their own currency which is Forever 21 Gift Card, Forever 21 Store Credit Card, Forever 21 E-Gift Certificate. This allows to keep client and gain new ones, by offering huge amount of gift cards for any occasion.

Ordering

The Forever21 store offers similar recommendations than 12Storeez does. However, as contact information there are mobile phone and email. The do not use any messenger or easier way to reach manager.

Delivery

Forever21 offers the following delivery options:

<table>
<thead>
<tr>
<th>SHIPPING OPTIONS</th>
<th>AVAILABLE FOR</th>
<th>DELIVERY TIMES</th>
<th>DELIVERY COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU Standard Home Delivery</td>
<td>All countries (see list above) Excludes P.O. Boxes &amp; certain postcodes. Click here to see the list of excluded postcodes</td>
<td>2-5 Working days from the shipping date*</td>
<td>€5.00</td>
</tr>
<tr>
<td>EU Express Saver Delivery</td>
<td>All countries (see list above) Excludes P.O. Boxes &amp; certain postcodes. Click here to see the list of excluded postcodes</td>
<td>1-2 Working days from the shipping date*</td>
<td>€12.00</td>
</tr>
<tr>
<td>Ship to a Forever21 Store</td>
<td>Austria, France, Germany, Netherlands</td>
<td>2-5 Working days from the shipping date*</td>
<td>FREE</td>
</tr>
<tr>
<td>UPS Access Points</td>
<td>Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Poland, Spain, Sweden</td>
<td>2-5 Working days from the shipping date*</td>
<td>€5.00</td>
</tr>
</tbody>
</table>

Figure 18. Shipping options Forever21. Source: Forever21.com

However, Forever21 warn their customers that delivery dates are not guaranteed. During busy sale periods, deliveries may take longer. The delivery times may be 5 or more days if the shipping country is: Sweden, Finland, Latvia, Romania, Hungary, Bulgaria or Greece. For orders over 60€, Forever21 offers free standard home delivery or UPS Access Point delivery. Eligible customers must select standard home delivery or UPS Access Point shipping method while proceeding with the checkout in order to receive free standard home or UPS Access Point delivery. The minimum purchase amount is not valid for purchases of gift cards, e-gift cards, or taxes. No adjustments on previous purchases.
On the contrary to 12Storeez, Forever21 has a more loyal return policy. Returns are accepted within 28 days from the order date.

<table>
<thead>
<tr>
<th>RETURN OPTIONS</th>
<th>AVAILABLE FOR</th>
<th>RETURN FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return your item(s) at a UPS Access Point</td>
<td>Belgium, France, Germany, Luxembourg, Netherlands and Spain</td>
<td>€2.95</td>
</tr>
<tr>
<td>Return your item(s) by Mail</td>
<td>All EU customers</td>
<td>At your own cost</td>
</tr>
<tr>
<td>Return your item(s) at a Forever21 store</td>
<td>France, Germany, Netherlands</td>
<td>FREE</td>
</tr>
</tbody>
</table>

Figure 19. Return options Forever21. Source: Forever21.com

Customer access

Similar strategy to 12Storeez use Forever21 brand. Customers can access the online shop via the official web site and by Instagram and Facebook. The brand also has a YouTube channel, but in difference to 12Storeez, the content they offer consists mostly of promotional campaign videos, which makes it not as popular and interesting like in case of 12Storeez.

The Instagram of Forever21 also offers the option to share photos of looks with clothing from the brand.

The Instagram of the brand is linked to their website, where customers who are interested in an article can go to the web and purchase this item from there.

Forever21 has an application where users can search through the products and make a purchase through it. It works similar to a web just in another format compatible with a smartphone.

Content provider
Navigation

The structure of the Forever21 website is quite complicated due to huge range of product items and categories.
However, Forever21 meet the requirements and fully displays all the necessary elements.

Graphic representation

Forever21 is oriented more towards young customers and their colors are bright and flash. The brand has their own typography which associates with the brand.

Font size and line height of the case makes it convenient to read the site, on a computer or on a mobile device. As in the previous case Open Graphs is used. Forever21 does not use animation, video or audio content on their main page and in turn does not overload it.

Organization

The Forever21 website represents a comprehensible organizational structure; it is understandable, logical, divided by category with relevant information and titles. However, due to the wide amount of categories and products, it is complicated for user orientation on the web.

Content utility

The web of Forever21 has a satisfactory amount of information to attract new visitors, motivated
by relevant content to keep users interested and make them continue discovering the web store. The web is of very high quality and includes professional content.

Purpose

The purpose of the website is comprehensible when the unique identity of the brand is established and expectations of visitors are taken into account. Forever21 is oriented towards young women and the visibility of site is represented by their philosophy. The website is colorful and dynamic.

Simplicity

According to a.pr-cy.ru, analytic tool for websites, Forever21 has 76 characters in their title (Shop Forever 21 Europe for the latest trends and the best deals | Forever 21). This number is optimal for correct displaying.

As for the description, Forever21 has as a description the following sentence of 163 characters: “Forever 21 is the authority on fashion & the go-to retailer for the latest trends, must-have styles & the hottest deals. Shop dresses, tops, tees, leggings & more.” The optimal number vary between 150 and 300 characters what is appropriate for correct search. According to a.pr-cy.ru analysis, displaying of Forever21 shop is correct on any mobile device.

Figure 22. Displaying of Forever21 on a mobile device. Source: Analysis www.a.pr-cy.ru

Readability
Forever21 has 2.65% which is really low and should be augmented at least till 3% to be more readable. The normal level of the rate is 4-6%. As for font size, according to the analysis provided by www.a.pr-cy.ru, Forever21 have an optimal font size displayed on mobile screens.

**Technical components**

Technical components is a block that is difficult to consider from the point of view of the end user, however if everything is set up correctly, the end result is visible to user. From the perspective of user, the website of Forever21 is visually, technically and functionally appealing. Everything is linked and connected, after placing an order, even if the user still have not finished purchase year, the users receive email reminders. After purchasing, the confirmation email is immediately sent.

Web hosting and site backups are invisible for the user, but correctly organized, these elements provide correct displaying for the customer in general and also affect the user's perception.

The SSL certificate of Forever21, has strong visibility to the user and confirms that the domain belongs to a real company and that its owner has the right to use the private key legally.

### 5.2.3 Findings

The table below summarizes key findings from Forever21 case analysis.

<table>
<thead>
<tr>
<th>Area</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel operator</td>
<td>Marketing:</td>
</tr>
<tr>
<td></td>
<td>· Active presence on social media</td>
</tr>
<tr>
<td></td>
<td>· High quality content, matching brand uniqueness.</td>
</tr>
<tr>
<td></td>
<td>· User generated content</td>
</tr>
<tr>
<td>Finance:</td>
<td>· Variety of payment methods</td>
</tr>
<tr>
<td></td>
<td>· Offering their own brand way of payments such as Forever 21 Gift Card, Store Credit Card, E-Gift Certificate.</td>
</tr>
<tr>
<td>Ordering:</td>
<td>· Limited contact information</td>
</tr>
<tr>
<td></td>
<td>Delivery:</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>· Many options for delivery</td>
</tr>
<tr>
<td></td>
<td>· Loyal return policy</td>
</tr>
<tr>
<td>Customer access</td>
<td>· Many channels for customer access</td>
</tr>
<tr>
<td></td>
<td>· Developed application for mobile devices</td>
</tr>
<tr>
<td>Content provider</td>
<td>· Optimal navigation</td>
</tr>
<tr>
<td></td>
<td>· Clear graphic representation</td>
</tr>
<tr>
<td></td>
<td>· Well organized structure</td>
</tr>
<tr>
<td></td>
<td>· Sufficient content</td>
</tr>
<tr>
<td></td>
<td>· Purpose meets company philosophy</td>
</tr>
<tr>
<td></td>
<td>· Simple title</td>
</tr>
<tr>
<td></td>
<td>· Appropriate size of description</td>
</tr>
<tr>
<td></td>
<td>· Correct displaying on all devices</td>
</tr>
<tr>
<td></td>
<td>· The rate of readability is very low</td>
</tr>
<tr>
<td></td>
<td>· Optimal mobile font size</td>
</tr>
<tr>
<td>Technical Components</td>
<td>· Visible SSL certificate for users</td>
</tr>
<tr>
<td></td>
<td>· The web is visually, technically and functionally appealing</td>
</tr>
</tbody>
</table>

Table 3. Findings of Forever21 case analysis. Source: Own elaboration

5.3 CASE 3 - ASOS

5.3.1 Overview

ASOS was founded by Nick Robertson in June 2000 in London. As Seen on Screen - an abbreviation of ASOS. Having started by copying the costumes of stars from the red carpet, the company has grown into one of the most powerful fashion empires in the world, famous for its huge selection of products at affordable prices.

Now on site asos.com weekly there are four thousand new products of all categories, from underwear to shoes and outdoor wear - most of them are designed by a full-time design team of almost 80 people, and the rest of the goods come from 850 different designers and brands. There is also a successful ASOS White premium line, the socially responsible ASOS Africa collection, a selection of eco-friendly products Eco Edit.

5.3.2 BUMMAT Model analysis
In this chapter, the chosen theoretical framework BUMMAT model will be applied to the case.

![BUMMAT model used to describe ASOS case. Source: Own elaboration](image)

**Channel Operator**

**Marketing**

As all previous cases ASOS proves the importance of Marketing strategy. ASOS aims to create a unique way for communication with customers and found the key to perfect communication. ASOS has created an insider community of 20-year-old millennials who post their trendy outfits on social networks and they show not only the outfit of the day, they show different styles. All insiders are ASOS marketers, thus interested customers can purchase relevant items directly from their accounts on social networks. In Instagram, users see the product code in the title and they can also follow the referral link. For example on Pinterest, images are directly related to the product page.

Thus, the common successful strategy of all three cases is User Generated Content. Through the pages of influencers on social networks, companies produce valuable content.

Furthermore, the ASOS brand has focused on advocacy work. The emphasis on corporate responsibility led the company to the creation of an ASOS Foundation. They build infrastructure and established educational initiatives. It provides opportunities for children to develop in technology and fashion. ASOS continues to work with charities. Prince’s Trust and SOKO Community Trust are part of corporate responsibility.
Customers love brands with good advertising. Using social responsibility, ASOS created a positive image. Consumers know who they help. ASOS provides its customers with links and codes to purchase goods. So buyers are more likely to act. Interest smoothly turns into a real purchase.

Finance

Asos.com uses following systems: Visa, MasterCard, PayPal, American Express, Visa Electron and Apple Pay. Moreover, ASOS offer to the students a 10% discount. To get the discount it is necessary to approve the student status by filling the form on the web.

![Payment systems](https://www.asos.com)

Figure 24. Payment systems ASOS. Source: Asos.com

Ordering

Similar to the previous cases, ASOS has clear ordering instructions and also offer many ways of contact in order to resolve questions for their customers. Twitter, Facebook, Messenger and chat on the web are available for customers. ASOS provides useful information regarding the most popular questions about the ordering process on their webs.

Delivery

ASOS also has standard delivery and express one as all previous cases. It is double in cost and for orders over £18.08 shipping is free. And for almost £10 per year, the customer can sign for premium delivery option and receive orders with free and next-day delivery.

ASOS has updated their return policy from April 2019. ASOS extended the time that a customer gets to make a return and gets a refund from 28 days to 45 days, due to unscrupulous returns. Returns are free for ASOS customers.

Customer access

The ASOS brand also has a lot of followers on social media. Facebook page has millions likes and 9.3 million Instagram users follow the ASOS account. Content on social media consist of videos, editorial material and has around 1600 videos and 500 articles in the last year.

ASOS also experiment with content. They created first short 15-seconds advertising videos adjusting format especially for Instagram Stories. The release of this campaign brought brand
awareness and engagement among its target audience.

ASOS always experiments with the formats on social media, from live action videos to behind the scene content and photo shooting of collections. This experiments lead to success of the ASOS brand. The aim of stories campaign is to deliver stylish and interesting content to the user.

Instagram of the brand is linked to their website, where customer who is interested in some article can go to the web and purchase this item on there.

In case of ASOS there is also an application for customers which facilitate the browsing of the products and let to make a purchase through the app. It works similar to a web just in another format compatible with smartphone.

![ASOS application](https://itunes.apple.com)

Figure 25. ASOS application. Source: itunes.apple.com

**Content provider**
According to Garett (2016), navigation consists of salient menu, navigation bar, assistance for navigation (e.g.: visual links), simple enter to web page (e.g.: no exceeding backtracking/clicks and reach through various ways), searching tools and simple managing.

ASOS meets the requirements and fully display all the necessary elements. The website is easy to browse, access and search. Menu is divided by category and type of product. However, ASOS and Forever21 web sites are quite similar and have the same structure. Due to the wider assortment the structure is more complicated than in 12Storeez case.

Graphic representation

The visual representation consists of web images, its size and quality, presence of multimedia content such as video or audio, format, size and color of text, different logos and icons, visual attraction, color schemes, efficient utilization of white space, avoiding overload and minimize the loading time for graphic content.

Similar to Forever21, ASOS is oriented on more young customers and their colors are brighter and flashier. The brand has their own typography associated with the brand.

Font size and line height make it convenient to read the site, on a computer or on a mobile device. With purpose the customers can see relevant text and image on the preview link Open Graphs are used. Moreover, Open Graphs improve the site’s behavioral factors.
ASOS do not use animation, video or audio content on their main page and does not overload it.

Organization

ASOS website is well categorized and consists of meaningful headings and titles. The web is provided with understandable information and logical organization. The orientation is easy for user despite the huge amount of selling items.

Content utility

Similar to previous cases, the web of ASOS has enough relevant information with purpose to attract visitors, to keep them interested in browsing and contribute them to continue exploring the site. The web has a very quality and professional content.

Purpose

ASOS is oriented on young women and the visibility of site represents their philosophy. The website is colorful and dynamic what is accordance to its purpose.

Simplicity

As was mentioned above, optimal size of the title is 70-80 characters. If the text is longer, it will be cut off, and users will not be able to understand what shops offer. Each key request does not need to be used more than once.

According to analytic tool for websites “a.pr-cy.ru”, ASOS has 55 characters (ASOS | Online Shopping for the Latest Clothes & Fashion). This number is optimal for correct displaying.

Another important element is description. The optimal text size in the Description tag leaves 150-300 characters. Description of ASOS consists of 146 characters: “Discover the latest fashion and trends in menswear and women's wear at ASOS. Shop this season's collection of clothes, accessories, beauty and more”. This number is not optimal, but it is still appropriate for correct search, according to used analytic tool.
According to website analytic tool “a.pr-cy.ru”, ASOS website is correctly displayed on all devices.

Readability

ASOS has low rate of readability - 3%, according to analytic tool “a.pr-cy.ru”. This number is under the normal rate which is from 4 to 6%, according to the same source. It means that the content displayed on the web is not easy to read and there is a possibility to improve writing, making it grammatically correct and understandable.

Another important factor a font size was analyzed. According to the analysis provided by “a.pr-cy.ru”, ASOS has optimal font size displayed on mobile screens.

Technical components

The SSL certificate confirms that the domain belongs to a real company and that its owner has the right to use the private key legally. ASOS PayPal icon is a confirmation of refund in case of fraud.

ASOS strives to protect confidential information of the data and the customers or site visitors security at 100%. If customers have any questions regarding the protection of the privacy of data, there is a contact mail for these matters.

On the ASOS website the full information about the reason why they can demand several
information is presented. This is a very important point, because for user it is important to be sure the data is totally protected and to know for which purposes is used.

As in all previous cases technical components are apart of BUMMAT model which is difficult to consider from the end-user point of view. However, in case if everything is settled well up, the end result is visible to user. From the user point of view the website of ASOS is visually, technically and functionally appealing. Everything is linked and connected, after placing an order even if the user still has not finished purchase year, user receive email reminders. After purchasing immediately the confirmation email will be sent.

Web hosting and site backups are invisible for the user. But if correctly organize these elements, user receives correct displaying of these elements. It is also affect on the user's perception.

### 5.3.3 Findings

The table below summarizes key findings from ASOS case analysis.

<table>
<thead>
<tr>
<th>Area</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel operator</td>
<td>Marketing:</td>
</tr>
<tr>
<td></td>
<td>· Social responsibility strategy</td>
</tr>
<tr>
<td></td>
<td>· Collaborate with charities</td>
</tr>
<tr>
<td></td>
<td>· Active presence on social media</td>
</tr>
<tr>
<td></td>
<td>· High quality content, matching brand uniqueness.</td>
</tr>
<tr>
<td></td>
<td>· User generated content</td>
</tr>
<tr>
<td></td>
<td>Finance:</td>
</tr>
<tr>
<td></td>
<td>· Variety of payment methods</td>
</tr>
<tr>
<td></td>
<td>· Discounts for students</td>
</tr>
<tr>
<td></td>
<td>Ordering:</td>
</tr>
<tr>
<td></td>
<td>· Clear ordering instructions</td>
</tr>
<tr>
<td></td>
<td>· Wide contact information</td>
</tr>
<tr>
<td></td>
<td>Delivery:</td>
</tr>
<tr>
<td></td>
<td>· Many options for delivery</td>
</tr>
<tr>
<td></td>
<td>· Special offer such a premium delivery</td>
</tr>
<tr>
<td>Customer access</td>
<td>· Extended refund period</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td></td>
<td>· Many channels for customer access</td>
</tr>
<tr>
<td></td>
<td>· Developed application for mobile devices</td>
</tr>
<tr>
<td>Content provider</td>
<td>· Optimal navigation</td>
</tr>
<tr>
<td></td>
<td>· Clear graphic representation</td>
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<td></td>
<td>· Well organized structure</td>
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<tr>
<td></td>
<td>· Sufficient content</td>
</tr>
<tr>
<td></td>
<td>· Purpose meets company philosophy</td>
</tr>
<tr>
<td></td>
<td>· Simple title</td>
</tr>
<tr>
<td></td>
<td>· Appropriate size of description</td>
</tr>
<tr>
<td></td>
<td>· Correct displaying on all devices</td>
</tr>
<tr>
<td></td>
<td>· The rate of readability is under the recommended</td>
</tr>
<tr>
<td></td>
<td>· Optimal mobile font size</td>
</tr>
<tr>
<td>Technical Components</td>
<td>· Full description of protecting user privacy</td>
</tr>
<tr>
<td></td>
<td>· Visible SSL certificate for users (ASOS PayPal icon)</td>
</tr>
<tr>
<td></td>
<td>· The web is visually, technically and functionally appealing</td>
</tr>
</tbody>
</table>

Table 4. Findings of ASOS case analysis. Source: Own elaboration
6 RESULTS

This chapter is aimed to answer to research questions of this thesis. According to findings from practical case study, for electronic commerce in the fashion industry it is important that all the factors are established and managed together. In particular, each considered block shows successful points and challenges retailers face with building a successful online store. These factors are summarized in Table 5 and the description below is provided.

RQ1. What are the successful factors for e-commerce business within fashion industry?

The analysis showed the importance of each element of BUMMAT model for building successful online business within the fashion industry.

Many successful factors are related to Marketing, Finance, Ordering and Delivery blocks. Each category was studied from the end-user perspective.

E-commerce has the possibility to access a huge market, whose audience is comparable with the total amount of Internet users worldwide. The main thing, in this case, is to highlight the target segment of potential customers and find ways to effectively communicate with them. The function of marketing strategy today is more than just generating sales, today well building marketing strategy tells consumers about the online content created by the business (website, corporate blog, social networks, reviews, etc.). In order to generate customer trust, it is crucial to build a relationship with them. The only open way to communicate with the audience is to provide it with full and valuable content through the social networking site.

The successful factor is also wide settings ads. Configuring certain parameters (geography, age, gender, interests, etc.) makes it easy to identify potential customers on whom advertising will be directed. Analysis of the effectiveness of ads. Testing various ad settings and target audiences help determine the most effective option.

For online shops, there is a common successful strategy: User Generated Content. This strategy is mutually benefit for both: Companies produce valuable content created by their customers, and customers are involved in the company social presence.

The big opportunity for e-commerce in the fashion industry is SMM marketing. Proper and quality content forms the interest of users to the brand, increases loyalty and creates the basis for thematic communication of the target audience. The company's market share is increasing and sales are increasing. Social networks for many users become the main source of information about the company, so creating communities is equivalent to creating and maintaining an official website.
As was shown in one of the cases, the key to success can be a unique marketing idea, which is associated with the brand and outstanding it from competitors.

The brand social responsibility strategy and collaboration with charities also is one of the opportunities to build a successful online store.

A variety of payment methods is also a possibility for online business. The more the client has a choice of payment methods, the higher the probability of purchase. In order to keep current customers and attract new ones, the Gift card system and proper brand payment system can be implemented together with the introduction discount system.

In ordering segment it is crucial to provide clear and understandable order instructions. Customer support has to provide wide options for contact.

In terms of delivery, the possibility to ship orders to any convenient place for customer and shipment tracking has a positive effect on a purchase decision. Well organized return policy also contributes to purchase and make it credibly to customer.

Accessible to online shopping from any device at any place, a commodity of use of the website and easy process of purchasing are factors considered in the customer access block. The undeniable advantage of online shopping for customers is a tremendous time-saving.

There were detected several success factors related to the content of the web site. Effective build content, functional and comfortable website with easy design contribute customer satisfaction of online shopping experience. Besides, Involvement of customer to the social network content provides inspiring social customer experience.

As for technical components, besides the fact that the information is hidden from the user, it is still very important to set everything up correctly. The advantages in this area could be a full description of protecting user data process, and explanation the purpose of private user data request. Moreover, for success functionality, it is recommended to set up an SSL Certificate and make it visible and understandable for customers because it disposed to trust in making purchases online.

Despite the fact that some components are not visible, such as web-hosting, plan backup, etc., it is crucial to set up everything correctly in order to provide visually, technically and functionally appealing displaying of the web. All parts of the system should be constantly updated and integrated with each other.
RQ2. What are the barriers related to e-commerce which fashion industry is facing and areas to improve?

As well as existing successful factor for electronic commerce in the fashion industry, there are barriers and areas for improvement. As was shown in the analysis of case studies, all categories are connected to each other and establishing each of it contributes to a successful e-commerce business. When there is a lack in the development of some areas, challenges and areas to improve appearance.

There are barriers in the marketing section. Difficulties for a customer to assess the quality of products online lead to customers do not trust and risk to purchase low-quality product. These barriers require more online marketing efforts and being all the time updated on online marketing tendencies. Another barrier is high competition online in the fashion sector. Marketers in e-commerce have to develop marketing strategies. Competently made advertisements can attract a new audience, increase the awareness of a brand, generate customer demand. But to achieve the best result, it is first necessary to build a foundation based on knowledge and understanding of the basics of targeted advertising. These require high creativity in marketing.

The significant barrier is the buyer's distrust of online transactions. It is very important to provide a safe transactions. In turn, it requires adequate system support and web development. Payment system's fees from transactions can be a barrier for e-commerce with small turnover. Moreover, the extended return period due to restricting return policy cause loss of user trust.

As for the ordering segment, the barrier according to case analysis is limited contact information and absence of clear ordering instructions.

The delivery channel is an area of many barriers. High customer expectations about short delivery time lead to difficulties for e-commerce to provide it. E-commerce offers many options for delivering but still challenging in providing immediate delivering. Basically, the delivering system depends on the third parts and adds complexity to shipment controlling. This barrier can cause a possibility of product damaging due to incorrect shipping conditions, inconvenient time of delivery for customers.

Returns are remaining still a big area for improvement. As was shown in the case study, giants in the e-commerce business still struggle on this point. On the one hand, the level of loyalty in the question of the return policy has reached such an extent that buyers misuse returns. Companies are forced to make adjustments to the return policy to keep themselves from unscrupulous customers. However, it is necessary not only to closely monitor the situation with returns but also to try various options for providing customer service. Each product category has its own reasons and conditions for returning goods, so it is extremely important to solve such a management task as developing
and implementing indicators that track returns for each category. This will significantly improve the financial performance of the online store.

The complicity of creation of a special brand application for mobile devices stops the improvement of access for customers. Thus, even for successful cases this point is still a barrier and needs to be more developed and more sources should be dedicated to developing this aspect.

As for content, all studied cases present well-organized and functional content, but there are still some factors that could be improved. Such as readability rate, font size displaying on mobile devices for more comfortable online shopping for users.

Technical components is the most difficult area for analysis because it is hidden from the user as was already mentioned in this thesis. But still, there are some conclusions regarding technical components. Thus, fast-changing technology can be a barrier, because companies can not keep up with their progress. Establishment of adequate system support for providing data analysis and functionality of websites can be a complicated process and also have to be improving constantly.

*In the table below findings from the case analysis were summarized and the main success factors and barriers are determined:*

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Successful factors</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chanel operator:</td>
<td>· Unique marketing idea associated with the brand</td>
<td>· There is no opportunity to try on a product or assess its quality. Because of this, there is a huge risk of getting low-quality clothing to customer</td>
</tr>
<tr>
<td></td>
<td>· Social responsibility strategy</td>
<td>· Difficulty reaching customer loyalty needs requires more online marketing efforts.</td>
</tr>
<tr>
<td></td>
<td>· Access to a huge world market</td>
<td>· High competition in e-commerce fashion industry.</td>
</tr>
<tr>
<td></td>
<td>· Setting ads</td>
<td>· Difficult to achieve personalization of customer on purchasing stage.</td>
</tr>
<tr>
<td></td>
<td>· Possibility to analyze of the effectiveness of ads</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· User Generated Content Strategy · Possibility to target to a concrete customer group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Quality content</td>
<td></td>
</tr>
</tbody>
</table>
| Finance | · Variety of payment methods  
· Implementation of proper brand payment methods  
· Discount system | · Buyer's distrust of online transactions  
· Payment system's fees from transactions  
· Extended refund period due to restrict return policy. |
|---|---|---|
| Ordering | · Clear ordering instructions  
· Wide range of contact forms for customers | · Complex registration form  
· Limited contact information |
| Delivery | · Possibility to deliver orders to any convenient place for customer  
· Possibility of shipment tracking  
· Well organized return policy make a customer to purchase and make it credibly | · The difficulty of providing free delivery  
· High customer expectations about short delivery time and difficulties to provide it  
· During delivery, the purchase may be damaged due to incorrect shipping conditions  
· Customer cannot get the selected product immediately  
· Inconvenient time of delivery for customer  
· Strict return policy |
| Customer access | · Active presence in the social media of brands  
· Customer has access to online shop from any device at any place  
· Commodity of use  
· Easy process of purchasing due to linked content of social media to the websites | · Constant access to the Internet  
· Complicity of developing applications for mobile devices. |
| Content provider | · Well build, functional and comfortable website with easy design  
· Providing full product description, image and video content  
· Providing inspiring social | · Product description is still a big area for improvement |
<table>
<thead>
<tr>
<th>Technical components</th>
<th>Customer experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>· SSL Certificate visible for customer</td>
<td></td>
</tr>
<tr>
<td>· Stock system instantly update exchange information.</td>
<td></td>
</tr>
<tr>
<td>· The web is visually, technically and functionally appealing</td>
<td></td>
</tr>
<tr>
<td>· Fast changing technology</td>
<td></td>
</tr>
<tr>
<td>· Establishment of adequate system support for providing data analysis and functionality of websites</td>
<td></td>
</tr>
</tbody>
</table>

Table 5. The results of practical case study. Source: Own elaboration
7 CONCLUSIONS

E-commerce is a rapidly developing industry. The business on the Internet is given special attention due to the development of the information society and its direct contribution to the economy. The global network allows goods and services to enter the world trade market.

Electronic commerce is a rapidly developing and constantly modernizing business model which has its own characteristics. First of all, the business on the Internet should cover the following aspects: establishing contacts with the target audience of customers by attracting attention (advertising, bright website design, etc.), selling goods and services, ensuring full control over payment, delivery, and after-sales service.

The aim of this master thesis was to answer two research questions. By defining the theoretical framework and applying it to the cases successful factors and barriers for electronic commerce in the fashion industry were determined.

By comparison analysis of successful online shops, key problems and strong points were detected in each sector of business. A comparison between cases showed that there are similar activities in studied cases which lead to success. Each considered block cannot be studied separately. Thus, the successful functionality of the marketing block cannot exist without well-organized technical components. The setting adds, creating marketing content attractive to the client and other important points are dependent on technical support of the web. In turn, the content of the online shop is a result of marketing efforts. Another studied part according to the BUMMAT model was Customer access. To set up applications, create linked pages in social media to websites demands first of all perfect functionality of the technical part of e-business. Only well-established work of all the elements together can ensure success in the e-commerce business.

Furthermore, barriers for e-commerce businesses in the fashion industry were determined in this work. The development work on online shops in the apparel industry must be continuous and timely adapt to the rapidly changing world of technology. In this industry, customer requirements are particularly high, so a lot of attention should be paid to the product description and visualization.

The results show that there are several factors and barriers in different areas of functionality of e-commerce business, but all of them should be studied together. There is a relation in all activities of an online shop and in order to define success factors all block was considered, such as Channel operator, Content provider, Customer access and Technical components. All of the parts are connected and the weaknesses in one of it could affect other areas and lead to ineffective functionality of an online shop.
8 REFERENCES


Proshero R. (2018) What is the difference between a payment processor, a payment gateway and a merchant account. *Source: Ecommerce-platforms.com*


