
Stitch Fix



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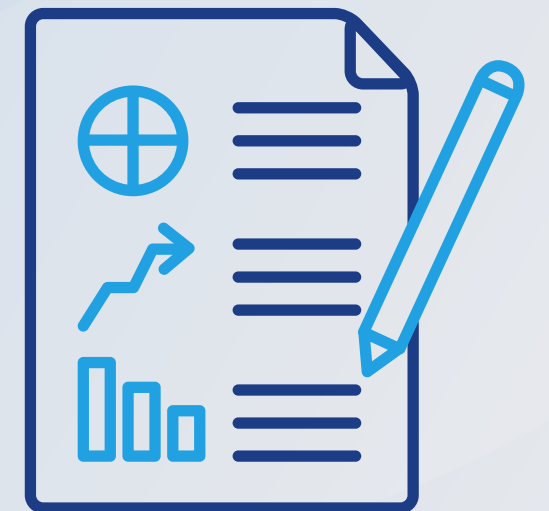
Yes!!! GCI should invest in Stitch Fix

An online personal styling service with advanced algorithms.



Personalized clothing recommendations that are delivered to the customer's doorstep.

The company's success has been driven by its ability to leverage data and technology to create a personalized, efficient



Stitch Fix is creating waves and inviting sharks to their Blue Ocean

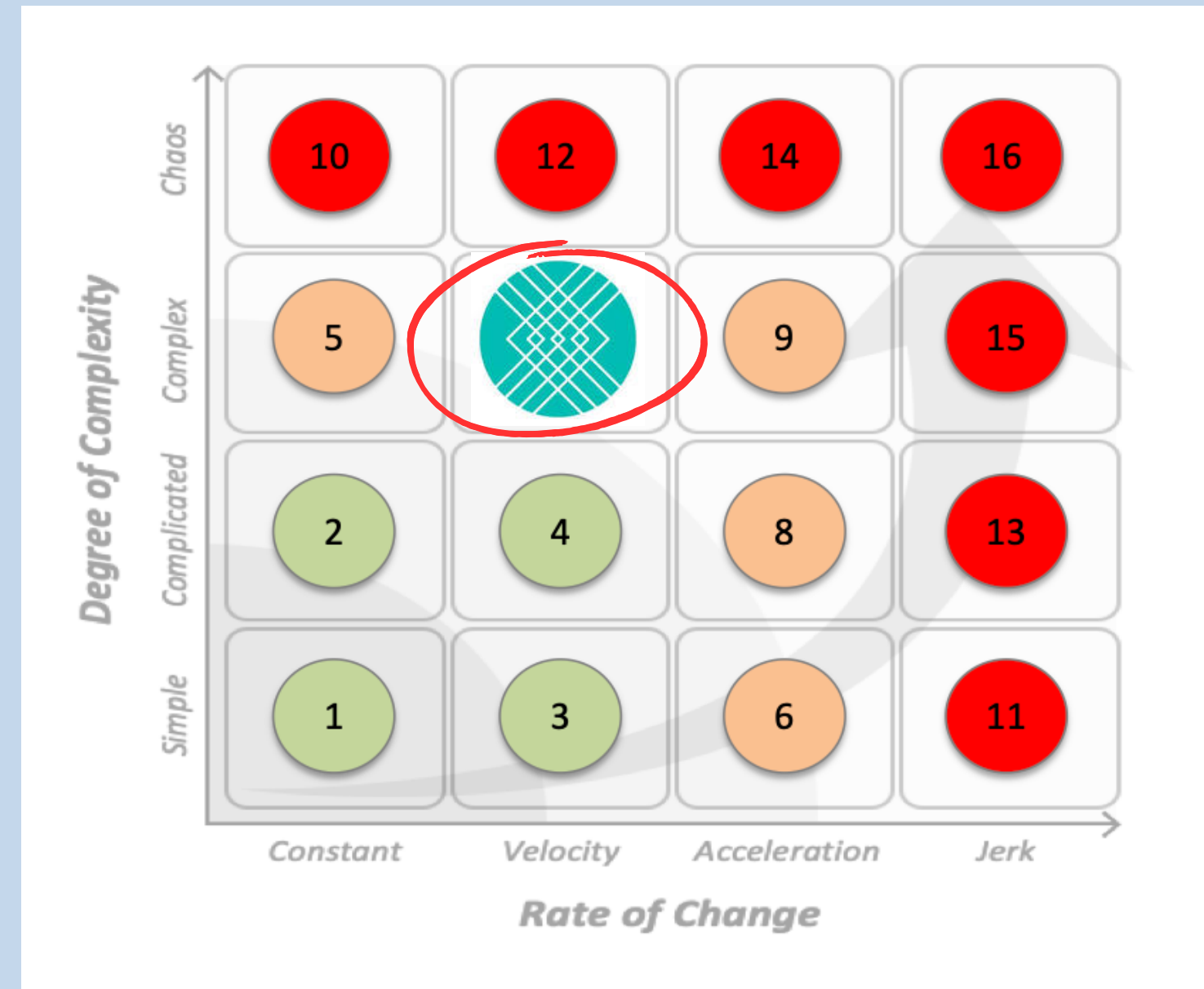
		LOW Risk	MODERATE Risk	HIGH Risk
Stage 1 Circumstances	Customer loyalty	✓ Stable or increasing	Slow decline	Rapid decline
	Venture investment	Little or none	Substantial seed and early-stage activity	✓ Substantial growth-stage activity
Stage 2 Catalysts	Policy changes	✓ Little or none	Under consideration or discussion	In the process of being implemented
	Industry entrant activity	Little or none	Growth at the low end or fringe of the market	✓ Entering or present in the mainstream
	Customer habit shift	✓ Habits are stable	Change at the fringes	Change in the mainstream
Stage 3 Impact	Business model innovation	Entrants optimizing existing models	✓ Entrants experimenting with different models	Entrants successfully executing different models
	Profit margins	✓ Stable or increasing	Slow decline or increasing due to cost management	Rapid decline

Stitch Fix is operating in a constantly evolving fast paced industry with new competitive entrants

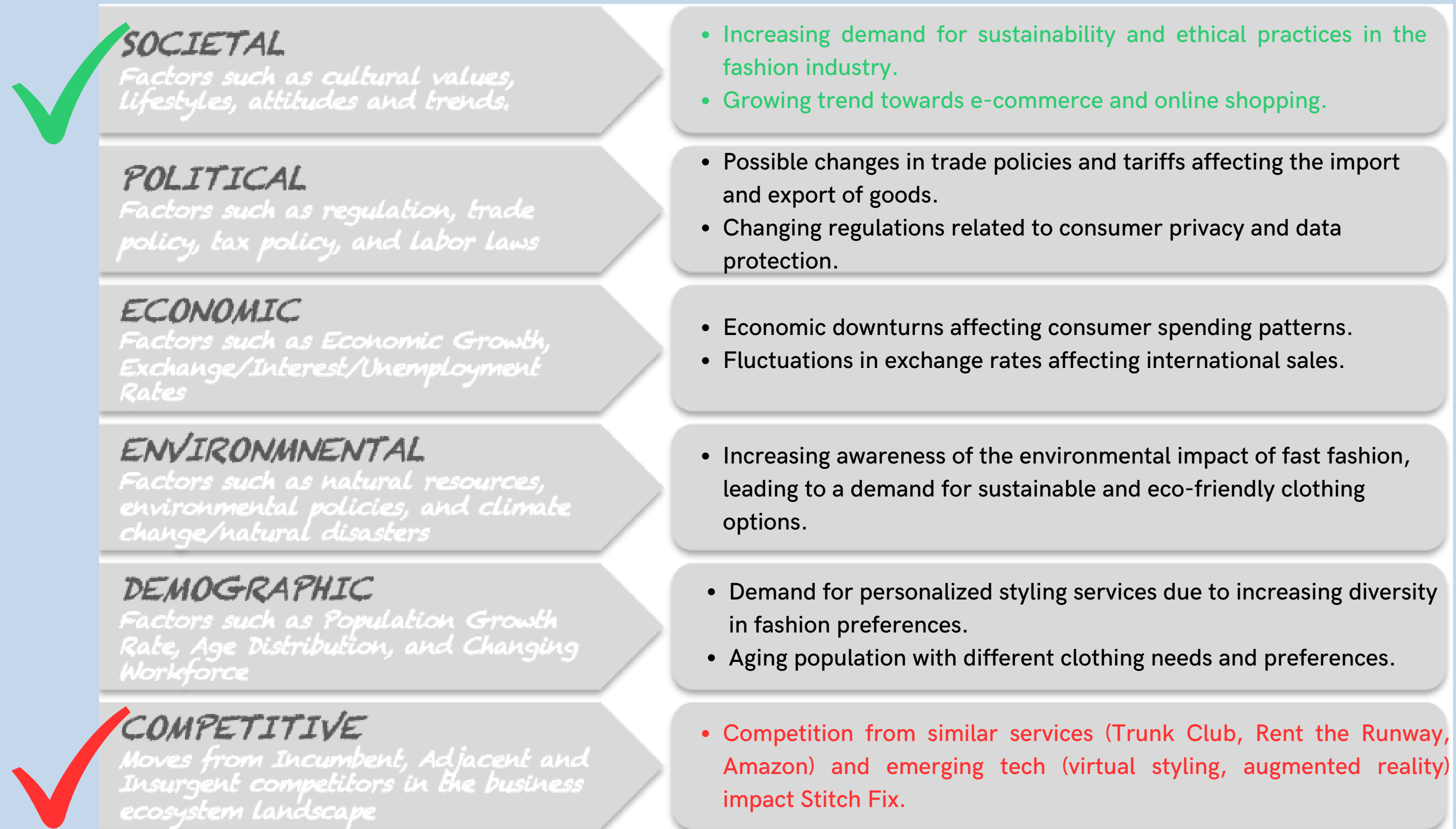
Rate of change (Velocity) - Stitch Fix faces a number of external challenges such as shifting consumer preferences, changing fashion trends, and new competitive entrants in the market.

Degree of Complexity (Complex) - Stitch Fix is relying on data science, algorithmic decision-making, and personalized styling recommendations in tumultuous times with domain experts like Amazon.

Level of Uncertainty (Level 7) - the landscape is continuously evolving and there are multiple directions and paths in which Stitch Fix could go for surviving and thriving.



Blood is in the water and sharks are on the way - Stitch Fix has tumultuous times ahead



Societal and Competitive drivers pose diverse opportunities and threats leading to moderate uncertainty

D
rivers

O
pportunities

T
hreats

S
trategic Response

Societal

- Increasing demand for personalized styling services due to diversity and individuality in fashion preferences- athliesure, body positivity
- Growth potential in the older population segment with different clothing needs and preferences

- Disruption from emerging technologies like virtual styling and augmented reality changing the way customers shop and experience fashion.

- Can start a sustainable fashion line within their product offerings. This product line is also customizable according to the customers choices.

Competitive

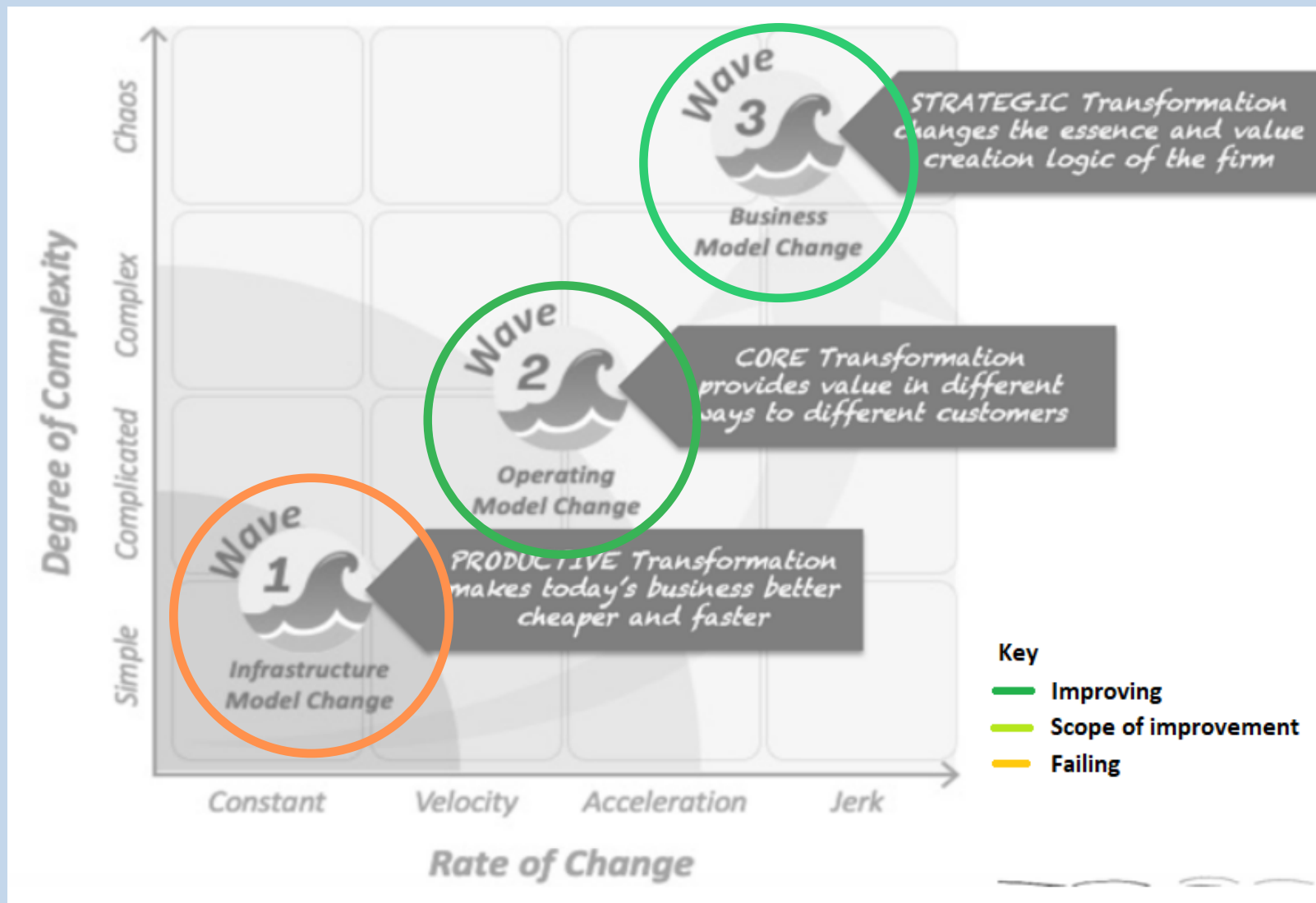
- With growing competitors in the space, it would push Stich Fix to innovate

- Intense competition in the e-commerce and personal styling space from companies like Trunk Club, Rent the Runway, and Amazon

- With increasing competition, it would push Stich Fix to diversify its product lines. Possibly offering cosmetics, jewelry, accessories



Identifying the transformation objective



- **Infrastructure Model Change:**

Stich Fix needs to work on improving its existing model by bettering their communication with their stylists

- **Operating Model Change**

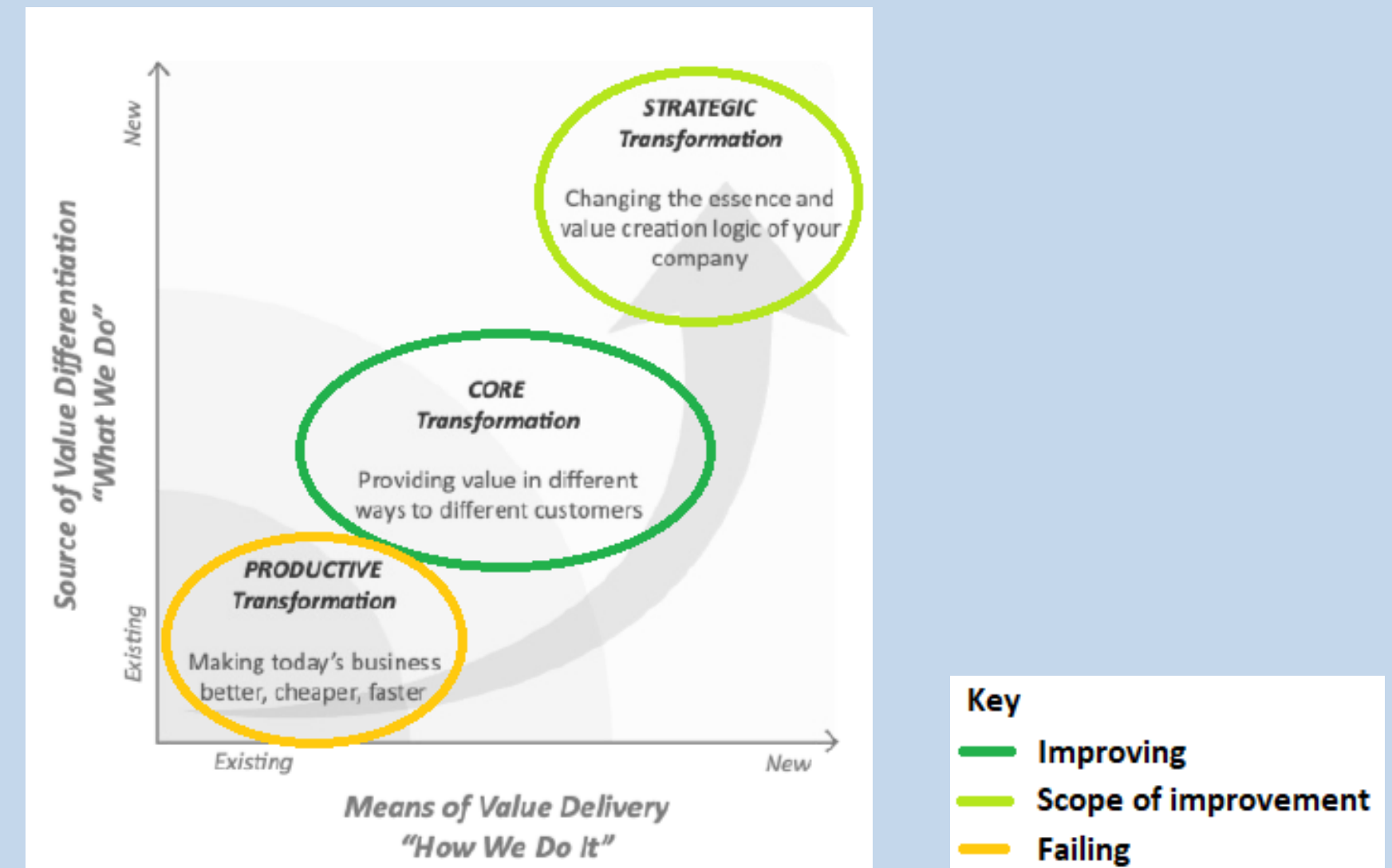
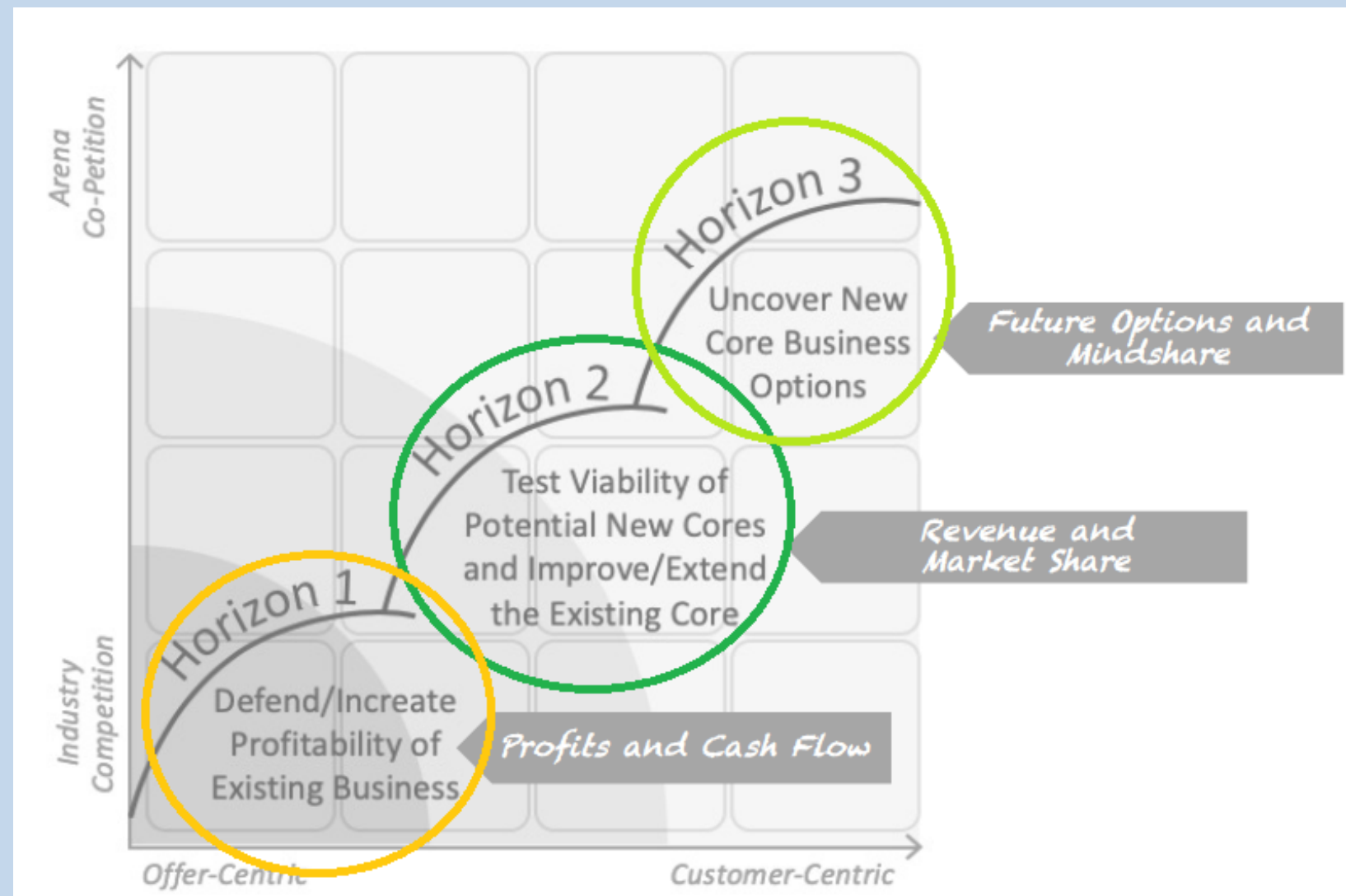
Stich Fix is constantly building and evolving its algorithms to make their personalized style recommendations even better.

- **Business Model Change:**

Stich Fix addresses the business model change by moving into cosmetics.



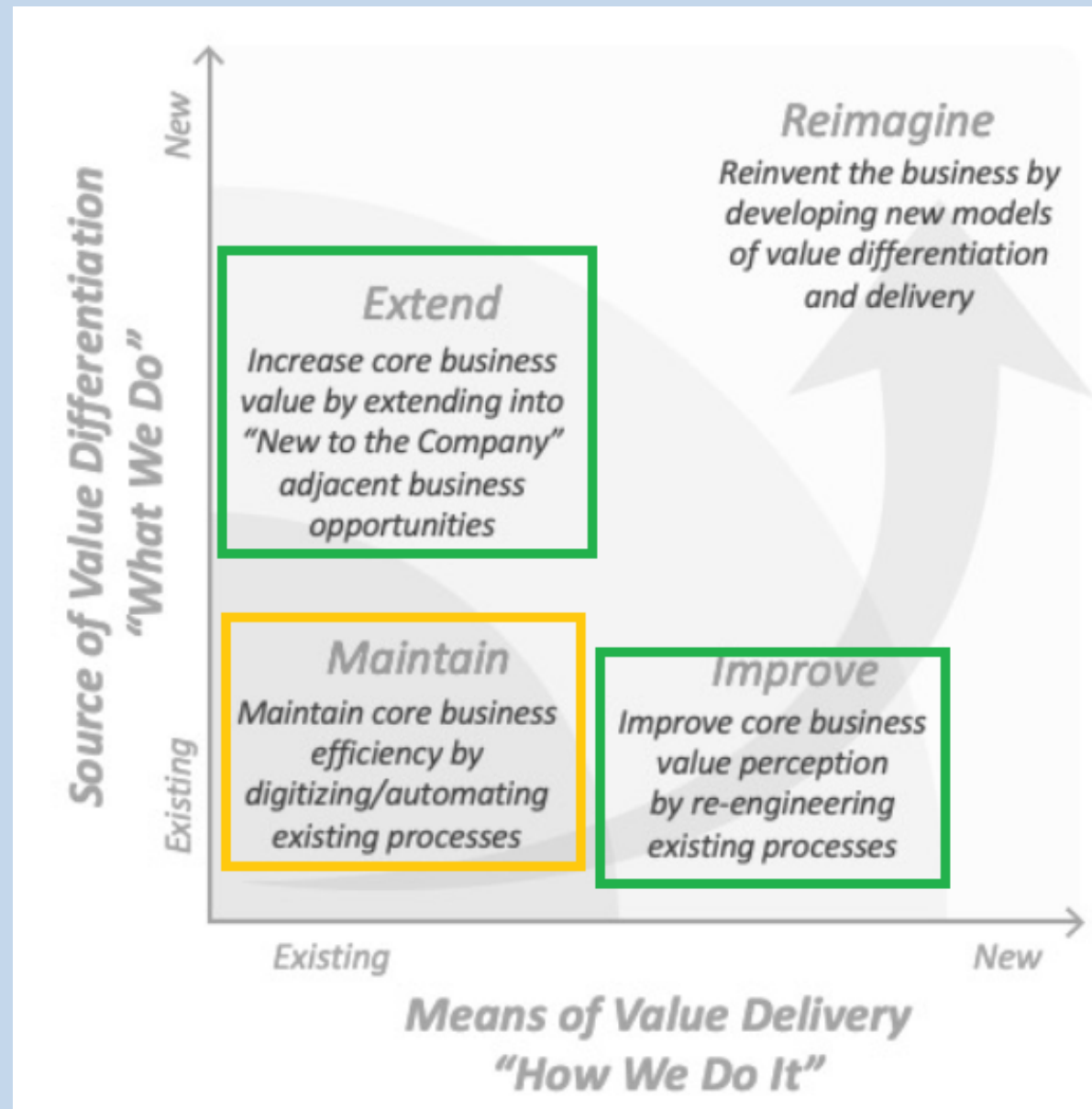
Stich Fix is focusing on Horizon 2 and 3



- Improving horizon 2. Technology and data improve customer experience and thus existing retail core
- Scope for improvement horizon 3 Creating new value in giving personalized style in cosmetics
- Failing horizon 1. Not leveraging technology when customers communicate with their stylists



Stitch Fix has a strong hold on Extension

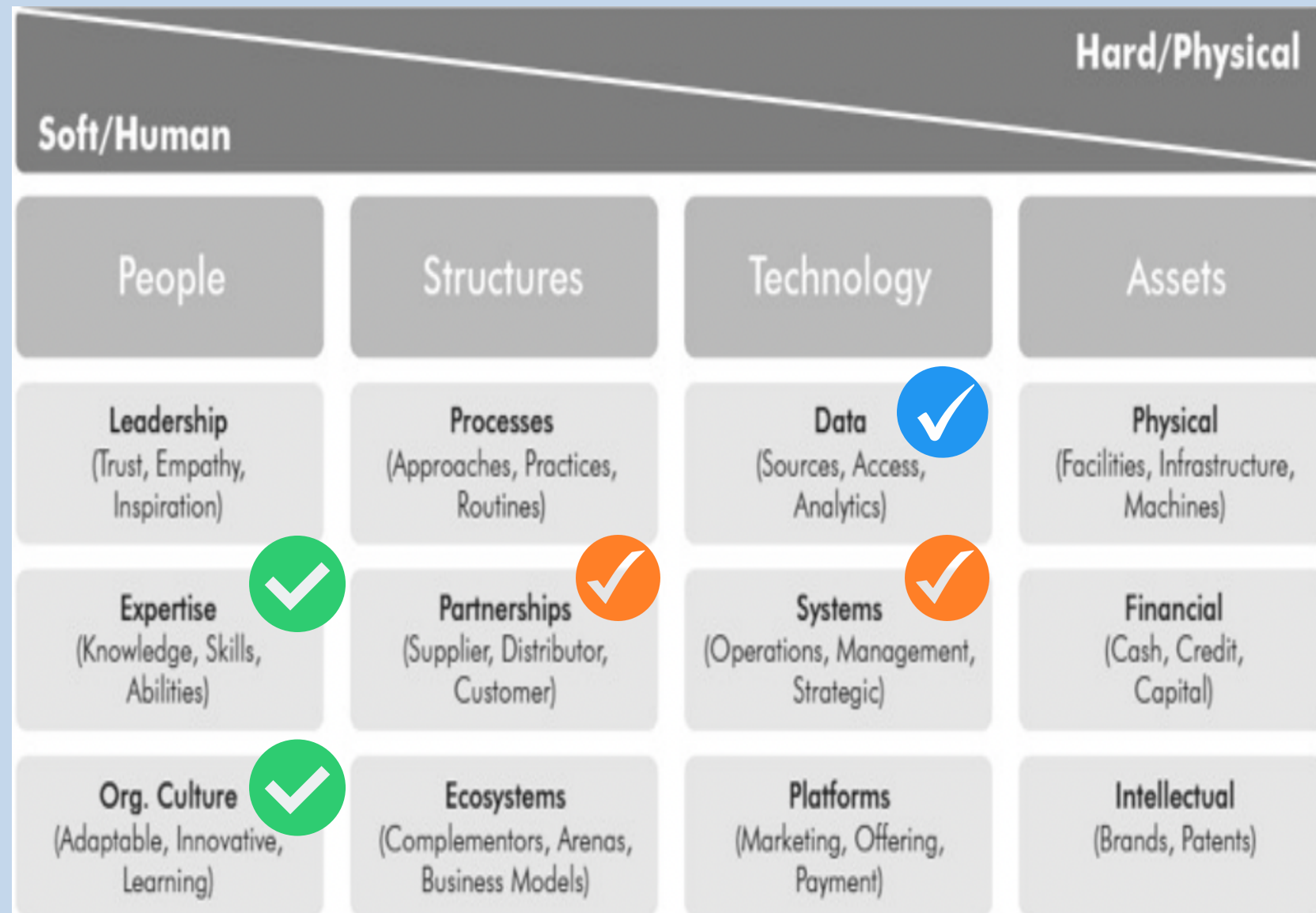


Key	
Green	Improving
Orange	Scope of improvement
Yellow	Failing

- **Strong focus on improvement.** With technology and data, Stitch is able to give a more personalized service system improving customer value perception and increasing their customer base
- **Strong focus on extension.** Stitch encourages data analyst to improve other parts of business as well as looking for growth opportunities to address competitors
- **Lacking coverage on maintain.** Not maintaining business efficiency within the core business
- Possible future coverage in Reimagine, especially with Extras



Data Driven Stitch-Fix, needs to stitch gaps in it's Systems and improve Operational Efficiency.



High
Medium
Low

People - Expert team, fosters the culture of innovation, can improve relationship management.

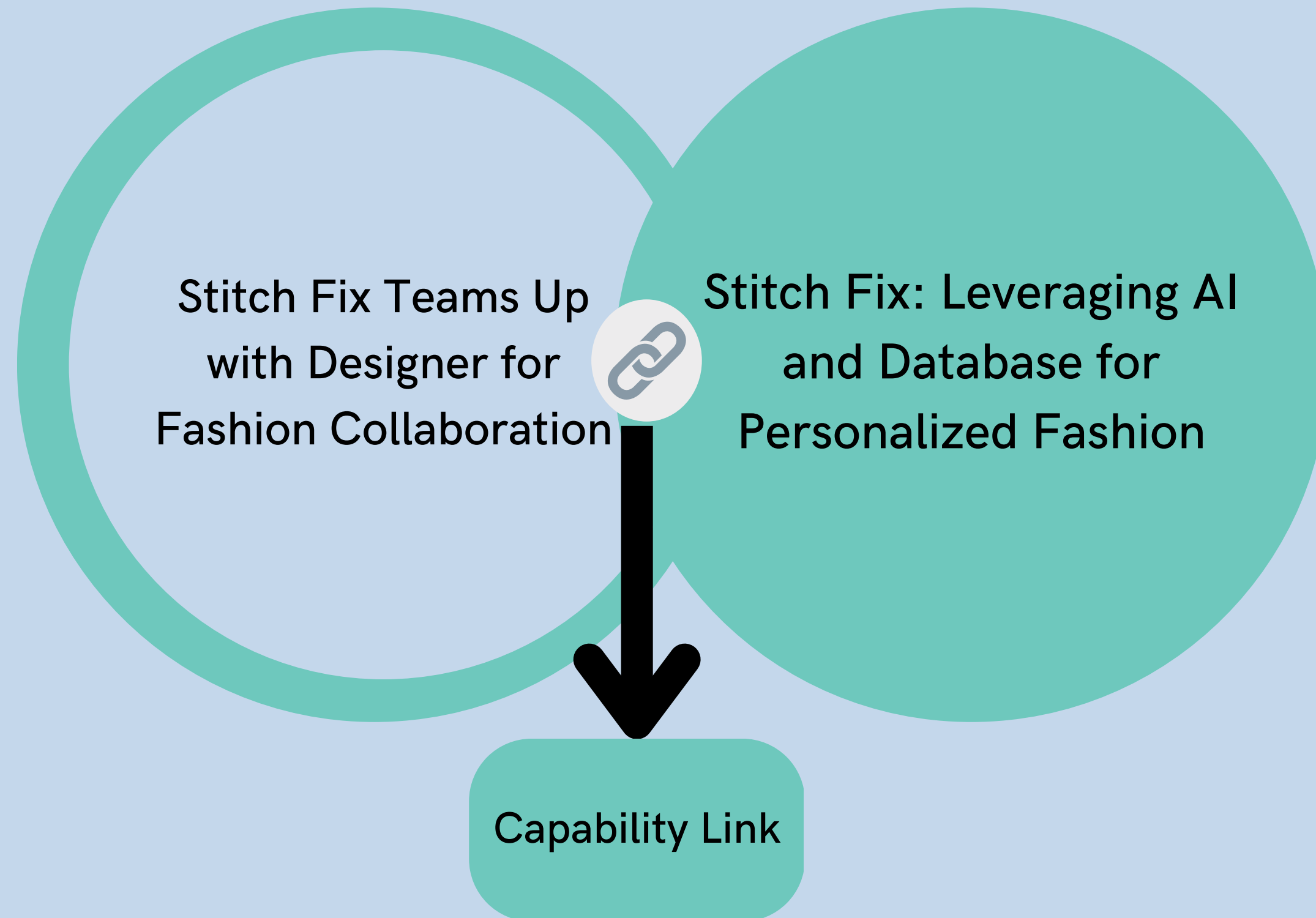
Structure - Horizontal, adaptable and agile. Enhance warehouses network and distribution channels.

Technology - personalized Data, domain expertise, excellent customer centric experience.

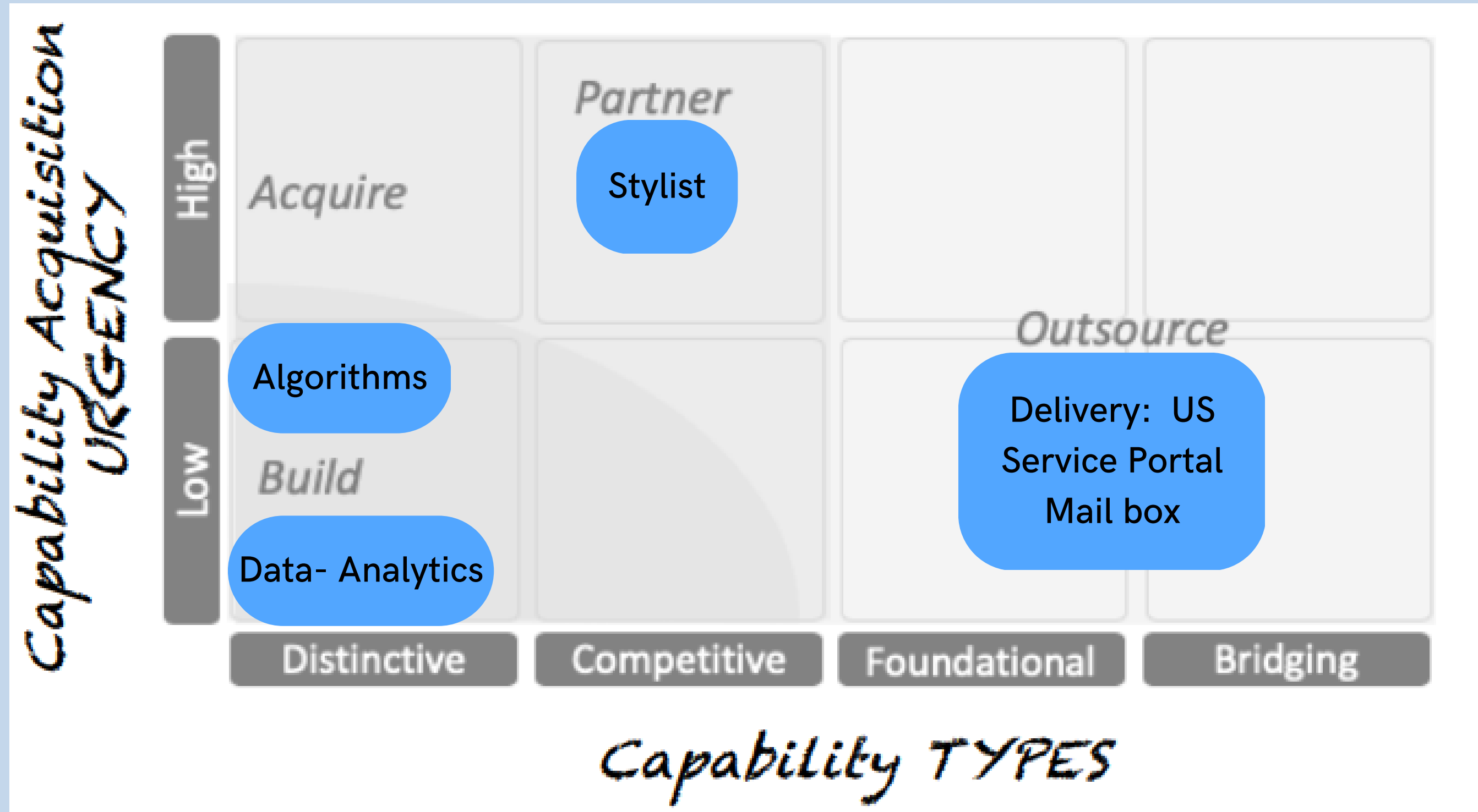
Assets - Established brand, strong customer retention



Stitch Fix's Personal Brand and Data-Driven Strategy to Gain Edge in 'Shop Your Looks' Over Amazon and Nordstrom.



Stitch Fix has developed its proprietary algorithm and platform for data analytics, formed partnerships with stylists, and enlisted the services of USPS for logistics.



We would want GCI to invest in Stitch Fix



Stitch is able to gain value differentiation with respect to its competitors because of their digital transformation process in their customer experience

Integration of technology and data analytics into the company's core capabilities.

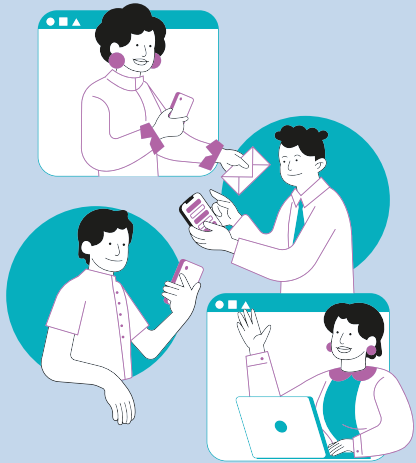
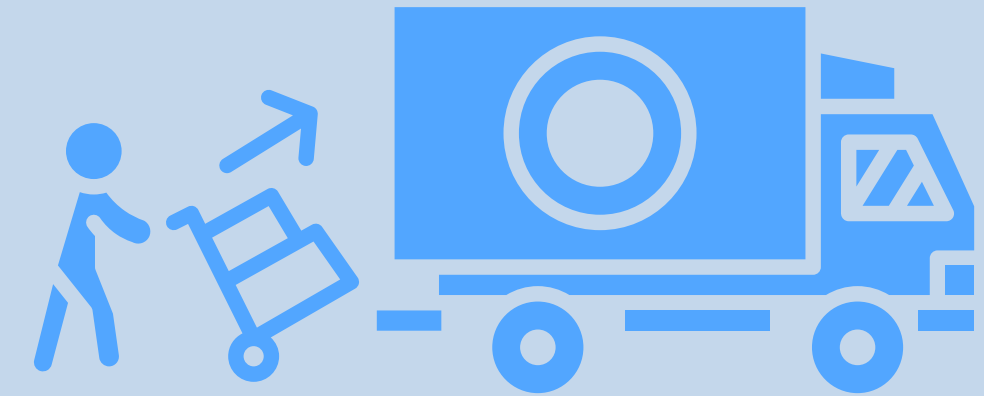


Stitch Fix is exploring new frontiers by investing in emerging technologies and partnerships that could expand its capabilities and reach.



Changes that Stitch Fix needs to make on multiple fronts in the rapidly evolving Retail Apparel market.

Can improve on Logistics and Supply chain



Make communication more fluid between customers and stylists

Acquire tech start-ups in AI and ARVR:

- Customers would see if a garment fits them well with less margin for error
- This would invalidate Amazon's Echo Look.



*Thank
You*



STITCH FIX