Dennis Lee IS455 Website Analysis

## KARMALOOP

"KARMALOOP is a multi-platform web retailer specializing in global urban fashion and streetwear".

# VALUE PROPOSITION

The main value proposition that KARMALOOP has built its success upon is providing universal reach for hard-to-find boutique clothing brands via the Internet. In addition, KARMALOOP's other top priority is consumer advocacy, providing the highest quality customer service through multiple service channels. Lastly, KARMALOOP understands the importance of customer feedback, and enhances the customer experience through a variety of interactive activities via the site and various other platforms.

## **E-COMMERCE TYPE**

KARMALOOP is a business to consumer (B2C) e-commerce site. They provide retail merchant services, offering up exclusive urban contemporary apparel amassing more than 300 clothing brands to the general public.

## **PRIMARY COMPETITORS**

KARMALOOP's primary competitors consist of the following online retail merchants:

- ► <u>TILLY'S</u>
- URBAN OUTFITTERS
- NORDSTROMS
- ► <u>BLUEFLY</u>

### **REVENUE MODEL**

KARMALOOP's revenue model is a simple web catalogue model, but they also employ an advertising-supported revenue model as well, allowing 3<sup>rd</sup> party companies such as Mazda to place banner ads above the site's footer and PUMA directly underneath the top navigation menu in the search results page.

## **CHANNEL INTEGRATION**

KARMALOOP has multiple integrated channels that include other online e-commerce websites, such as <u>KARMALOOPTV</u> (internet television station), ladies only website <u>MissKL</u>, flash-sale site <u>PLNDR</u>, online skateboard retailer <u>Brick Harbor</u>, independent market place <u>Kazbah</u>, and

menswear boutique <u>Boylston Trading Company</u>. KARMALOOP is also fully integrated with various social media outlets, such as Facebook, Twitter, Pinterest, Flickr, and Tumblr.

## TARGET CUSTOMER DEMOGRAPHICS

KARMALOOP is a gender neutral website, offering up clothing and accessories for both male and females. The age demographic consists of teens and young adults, ranging from 18-24 years of age. Geographically, KARMALOOP offers domestic and international shipping, so their reach extends globally.

## **MARKETING & ADVERTISING**

KARMALOOP uses multiple marketing and advertising tools in order to attract consumer interest, including Google AdWords, cost per click advertisements, paid search and comparison shopping engines, Facebook Ads, retargeted ads, and video content (KARMALOOPTV, YouTube, Vimeo).

# ATTRACTING CUSTOMERS

KARMALOOP attracts the impulsive buyer by drawing them in immediately at the landing page. The featured items section displays exclusive products that these types of customers can relate with, and the web site also offers up multiple channels where the impulse buyer can navigate to view a broader selection of goods. In addition, KARMALOOP has utilized the "quick buy" tool so that the buyer can seamlessly add the product to their shopping cart without having to click on the product itself and navigate to the product page.

As for the patient customer, KARMALOOP utilizes the slideshow carousel on the home page as a way to draw those customers looking for a deal. Five to six images rotate every few seconds drawing the customer into a "call to action" click thru in order to see the terms of the promotion. In addition, KARMALOOP also offers various banner ads through out the site, citing specials, discounts and conditional free shipping. Lastly, KARMALOOP offers a instant savings discount of \$10 when the customer opts-in to their "e-list", which will make purchasing decisions for the patient customer that much easier.

The analytical buyer will be attracted to the website because KARMALOOP offers comprehensive product descriptions that provide full details and features of a product, collaborative filtering suggesting similar or related items in an effort to cross-sell and up-sell, customer and peer reviews of products to enhance customer purchasing confidence, and a customer service team that will actually help to put together a complete outfit ensemble based upon consumer preference.

### What types of tools and features does the site provide to enhance customer experience?

KARMALOOP employs a number of Web 2.0 tools to enhance the customer experience on their website. In regards to social networking, KARMALOOP is active on Facebook, Twitter, Flickr, Tumblr, and Pinterest to engage their customers with sales promotions and exclusive deals, and

visual content to keep their customers up-to-date with the latest trends in urban fashion. They also participate in a blog specifically for both genders, writing about everything ranging from urban fashion to culture to keep their customers "fashionably" educated. They also utilize YouTube and Vimeo to upload video content featuring up and coming musicians, an inside look at the KARMALOOP corporate headquarters, interviews, etc. acting as a premier media outlet, youth liaison, and cultural pioneer representing music, fashion, comedy and lifestyle. KARMALOOP also has a mobile app available for both the iPhone and Android phones that allows for e-commerce capabilities.

The site functionality itself allows for online account management, customer reviews, order and shipping tracking, live chat customer service, a plethora of banner ads to help the customer navigate to desired landing pages, product search engine, social media capabilities, and much more.

## **ORDER PLACEMENT & PAYMENT**

KARMALOOP employs shopping cart software to process order placements and payments. Customers will select the product that they wish to purchase and add to their shopping bag. Customers can either continue shopping or continue on towards checkout, where the items in their shopping bag will be displayed for customer verification. KARMALOOP presents two payment options: credit card or PayPal. The customer will make his payment choice, and will be prompted either to sign into his account or check out as a guest customer, whereby they will enter their payment information and proceed towards order placement.

When orders are placed, a receipt of goods is sent electronically to the customer's provided email address. Orders are normally processed within 24 hours, and shipped within 1-2 business days. Once the order has shipped, KARMALOOP will send a shipping confirmation notice to the customer via email, which they can use to track delivery.

All major credit cards are acceptable forms of payment (Visa, MasterCard, AMEX, Discover). KARMALOOP also accepts PayPal payments and money orders (on a conditional basis).

### **DELIVERY, SHIPMENT & RETURNS**

All orders are shipped via UPS. Shipping charges vary depending on the weight of the order. KARMALOOP offers several tiers of shipping methods for domestic orders: standard shipping (4-7 business days), flat rate shipping (5-10 business days), and expedited shipping (next day, 2<sup>nd</sup> day, and Saturday deliveries). KARMALOOP also offers standard (7-14 days) and express (4-7 days) international shipping via DHL.

In order to process a return, customers must request a return merchandise authorization (RMA) number to be placed on the outside of the package. Customers must return the items with the original invoice. Return shipping will be the customer's responsibility. Once returned items are received, a return inspection will take place within 1-7 business days, and if approved, a refund will be provided to the customer.

### **CUSTOMER SERVICE & SUPPORT**

KARMALOOP offers up four main channels for customer service and support. Customers can contact KARMALOOP customer service via toll free number (1.877.GO.KARMA) Monday thru Friday between the hours of 8 am – 12 am EST. Customers can also email inquiries regarding orders and returns to the following email addresses: general – <u>questions@karmaloop.com</u>, returns – <u>returns@karmaloop.com</u>, changes to orders – <u>changeorder@karmaloop.com</u>, and shipping – <u>shippingquestions@karmaloop.com</u>. In addition, KARMALOOP offers live chat customer service. Lastly, customers can also contact customer service on twitter: @karmaloophelp.

## FEATURES & ARRANGEMENTS

The organization of the website is very cramped, as I suspect KARMALOOP uses every inch of layout space possible to maximize exposure. The logo, shopping bag, e-list subscription, and My Account tools are all located at the top and are easily visible for the customer. The footer provides comprehensive company information, affiliations, and network information for customers to reference, if needed. KARMALOOP employs a boxed layout, including a main display section for a slideshow carousel offering up special discounts and promotional sales. They also display featured content on the home page in boxed format, organized by labels such as "Limited Edition", "Back In Stock", "Exclusive", "Pre-Order" and "Made In USA" items giving loyal customers a quick "look book" as to what's new and available on the site. A dual (men and women) drop-down style top navigation menu is employed, allowing the customer to search by clothing category and by brand. The home page navigation menu is very concise and compact so it might be difficult for customers to catch at initial glance. Once a search results page opens, a filtering tool placed in the left hand navigation menu allows the customer to narrow down their product selection. Products are clearly displayed with very large image thumbnails, multiple product views, and complete product descriptions with visible pricing.

### **UTILITARIAN & HEDONIC EXPERIENCE**

From the utilitarian perspective, KARMALOOP provides for the basic necessity of clothing in a relatively easy to use format. Its shopping functionality is as universal as all other online retailers, and the level of customer service offers up ease and comfort in a convenient transaction.

In regards to a hedonic shopping experience, KARMALOOP offers exclusive boutique brands that their customers can associate with fashion and cultural trends. They also employ a number of social and digital content strategies that engage the customer in the "verge culture" that KARMALOOP is expressing, having them connect and relate to their brand on a commercial, emotional, and intellectual lifestyle.

### **IMPROVEMENTS & ENHANCEMENTS**

I would recommend uploading video content to the individual product pages, allowing for another interactive dimension of merchandise display and product review, giving the customer another vantage point to base their purchasing decisions on.

I also would recommend extending customer service hours beyond the 4 hour window, adjusting for the time zone differences. It would seem to be a bit difficult to engage in phone support if a customer was calling from the west coast in Pacific Standard Time.

I'd also suggest a bit more organization on the home page, as it appears to be cluttered with 3<sup>rd</sup> party merchants and associated networks. This makes it difficult to interpret, and could cause some certain inhibitions and confusion regarding engagement and interaction.

Lastly, as big as KARMALOOP's success has become, I would recommend offering free return shipping, at least to their most loyal customers to increase the likelihood of repeat customers and customer satisfaction/appreciation.