A Study on the Construction of an Ideal Internet Fashion Cyber Mall Focused on Web Design, Merchandising and Management

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Abstract

The purpose of this study is to pinpoint currently arising issues concerning cyber fashion mall by analysing present status and contents of its web design, management and planning within the limits of business to customer (B2C) commerce, and to suggest a direction for building an ideal fashion mall on the internet.

As for the study method, conceptual definitions were given based on previous studies. And a positive study was implemented, in which the cases of 23 chosen cyber fashion malls among 60 or so domestic and foreign malls selling fashion products were found by internet search engines and analysed.

Results of the case analysis of cyber fashion malls are as follows: 1) cybermall must provide customers with an integrated service as well as e-commerce, 2) various products assortment and price differentiation must be developed, 3) the techniques of graphics, coloring and texturing, and layout design must be adopted to process and express product information, 4) the legislative system is needed to deal with the security, and 5) design and management of customer oriented interface are needed to process and express product information matter of electronic payment and customer protection.

Considering the issues in internet fashion cybermalls, are suggested the important factors that are necessary for web design, planning and management to build an ideal cyber fashion mall. These results will contribute to the development of fashion e-commerce.

Key words : internet fashion cybermall, e-commerce, mall of malls, cyber department store, specialized mall.

I. Introduction

One-to-one marketing in e-commerce can be developed by adopting a new concept of digital -based business, and the potential of e-commerce can be expanded to the fashion industry by applying it. One of the main reasons of greatly increasing concern about internet cybermall[1] is the capability of its growth that nobody can foresee the future status[2]. Internet has already appeared as a keyword to strongly drive the future fashion industry including design, marketing, customer services, manufacturing and management as well as goods sales in fashion business[3].

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[1] Virtual space provided by computers, that is, virtual market where consumers can search and shop for goods, and order and payment are achieved through internet.

[2] Jung-Ho Ahn and Chul-Woo Park, Internet and E-commerce, (1999): 191.

[3] "Opening of Cyber Fashion Business Times," *Tex Journal*, (February 1999): 93.

This research focused on pinpointing the currently arising issues of the online fashion business by analysing its present status and contents within the business to customer (B2C) e-commerce, and on suggesting a direction for web design, merchandising and management to build an ideal fashion cybermall in order to contribute to the development of fashion e-commerce.

As for the study method, conceptual definitions are given based on previous studies. And a case study was implemented over three months from April in 2000, in which the cases of 23 chosen fashion cybermalls among 60 or so domestic and foreign malls selling fashion goods were found by internet search engines and analysed.

In the case study, the cybermalls are grouped largely into integrated ones[4] and specialized[5]/direct-sales ones[6]. The integrated malls are again divided into "mall of malls" and "cyber department stores". For each group, the cybermalls are classified into "general ones" and the "best one" of Korea and foreign countries, and then the current status and problems of internet fashion e-commerce are studied, focused on the parts dealing in fashion goods, by comparing and analysing the selected cybermalls in terms of the following six aspects: 1) the established year and country, 2) display configuration, 3) products 4) payment system, 5) delivery and dispatch system and 6) customer management and service system (an offer of other information service besides goods, consumer discontent processing system, a

bulletin board, etc.).

The "best mall"[7] is assigned to a cybermall in each group of the domestic ones according to the decision of the Selection Committee supported by the Department of Industry and Resources[8]. In the case of the foreign ones, the "best cybermall" is selected subjectively by ten fashion designers and web masters.

II. Theoretical Background

There are various concepts and techniques for e-commerce, which have been evolving continuously and its range are broadening. Therefore we can define the concept of e-commerce by categorizing it according to the ranges, the types of selling, the objects and the related techniques and methods.

In this study, the concepts and types of e-commerce are given based on the classification of the internet cybermalls.

1. Classification of the Internet Cybermalls Based on the Types

The internet cybermalls are grouped largely into integrated ones, and specialized and direct-selling ones. The integrated malls are again divided into "mall of malls" and "cyber department stores".

1) Integrated Cybermalls

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[4] http://www.keb.or.kr/htm/kor/about/mall/group/group1.htm, Cybermall selling goods or service over than three items belonging to the Middle Category designated in the Korea Standard Industry Categorization. Integrated cybermalls sell goods or service manufactured by themselves or committed to others.

[5] http://www.keb.or.kr/htm/kor/about/mall/group/group1.htm, Cybermall selling goods or service less than or equal to two items belonging to the Middle Category designated in the Korea Standard Industry Categorization. Specialized cybermalls sell goods or service manufactured by other companies, and/or together with manufactured by themselves.

[6] http://www.keb.or.kr/htm/kor/about/mall/group/group1.htm, Cybermall selling goods or service manufactured by only one company regardless of the number and the variety of items, even though the cybermall does not related to the manufacturer at all.

[7] Cybermall selected through the researches over internet and on the users group by the Best Cybermall Selection Committee supported by the Department Of Industry And Resources.

[8] http://www.keb.or.kr/htm/kor/about/mall/group/group1.htm

(1) Mall of Malls

Mall of malls, dealing in various goods, is the type of cybermall which consists of several cybermalls and provides the customers with one -stop shopping function to do their shopping in one spot. The store member has such advantages that it can absorb all the existent customers and use the solutions for delivery service, payment, advertisements and public relations of the cybermall, and customer management are substituted by the host cybermall., which give benefit and efficiency simultaneously[9].

(2) Cyber Department Stores

Cyber department stores are the extended forms of the spatially existent ones, and designated by the cybermalls which are opened by the present distributors to broaden the business domain and complement the present ones. Today, the department stores such as Lotte, Shinsegae and Hyundai are operating their own cybermalls.

2) Specialized Cybermalls

Specialized cybermalls, which are also called category-killer-type cybermalls, mainly deals in goods of special fields, and they are operated by each fashion company alone. There are few companies operating their internet cybermalls as a specialized form.

2. Construction Factors of Internet Cybermalls[10]

To operate a internet cybermall, it is required to construct it to be able to provide simultaneously powerful e-commerce functions such as order processing, payment settlement, delivery and customer services as well as the functions of development and management to display and manage the goods to be sold[11].

1) Goods Assortment and Shopping System

In the technical aspects, the cybermalls must have a goods search function for the customers to search the desired items fast and conveniently, visual display of goods and easy shopping systems. For the display of goods, the techniques for graphic, color representation, and layout design, which modify and express the goods information, are required for the customers to feel them being in the real stores. Product size representation is one of the significant factors for the fashion goods, but clear systematic establishment is not made yet in spite of its importance.

2) Security and Payment Process System

The cybermalls must encrypt all commerce process and provide customers with completely secure service to make safe the information given by customers. They also must have various payment methods and security functions for payment information when payment is accomplished for the goods ordered by customers.

3) Delivery System

Delivery system and repayment method ready for delivery accident are required to make the cybermalls be believable by customers.

4) Management and Service System for Customers

In the cybermalls, the channels for smooth communication between customers and cybermall managers, and electronic board and mailing list for information exchange between customers must be implemented. Additionally, marketing strategies including exchange and repayment services, premium offer and mileage programs, incentive programs, and cultural services and various information supply are also required.
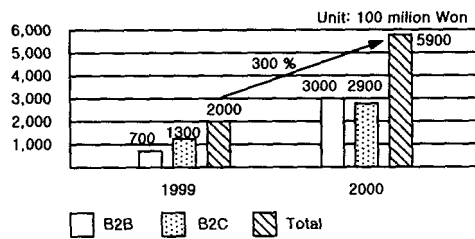
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[9] http://www.metaland.com.introl.html

[10] Hye-Ju Jung, A study on the utilization plans of e-commerce in fashion industry, (Master's thesis, Ewha Woman's University, 1999): 39-44.

[11] In-Woo Kim, "The Future View of Cyber Shopping Mall," Information Society (1998) : 122, 134.

<Table 1> The Number of Internet Users and Market Size around the World

Year	Internet users	Market size (Won)
2000	193 million	2.1 trillion (up by 151% compared to 1999)
2003 (expected)	570 million	6.5 trillion

Source: Report of Korea Internet Information Center

<Fig. 1> Market Size of Domestic E-commerce (From the report of Korea E-commerce Study Group 99.12.10).

3. The Use Status of Internet Fashion CyberMall

Current internet users and market size of the world are shown in <Table 1>. E-commerce market size in Korea, reported by Korea E-commerce Study Group, is represented on <Fig. 1>.

The internet fashion cybermall is started in Korea in 1996. At that time two cybermalls of Lotte Internet Department Store and Interpark were established by Lotte and Dacom, respectively. Now the big three Hansol, Samsung and Inperpak are driving the internet market while there are more than 2000 cybermall sites open and most of them deal with general customers as a B2C commerce. It is reported that the proportion of fashion-related items in the cybermalls is very small and the principal goods are hardware (24%), tour/leisure (16%), computer software (13%) and books (13%). Even in the case of Lotte Internet Department Store, where

the fashion items share at a relatively high ratio, the proportion reaches only 10% including lingerie[12]. However, the internet cybermall users for fashion items will be expected to increase much more as domestic communication infrastructure is enhanced and three-dimensional moving picture services are provided[13].

"Capture Online Markets", an online marketing strategy report from ActivMedia Research LLC emphasizes as follows: "Future e-commerce will look much different from current one. The popularity of online products is rapidly shifting from such items as computers and books to consumers' goods such as clothing and toys, sporting equipments, office supplies, and games. The competitiveness of online shops lies in long-term trust as well as price, quality, convenience, and stored goods."

Ⅲ. Positive Study

1. Case Study of Internet Fashion Cybermalls

1) Integrated Cybermalls

(1) Mall of Malls
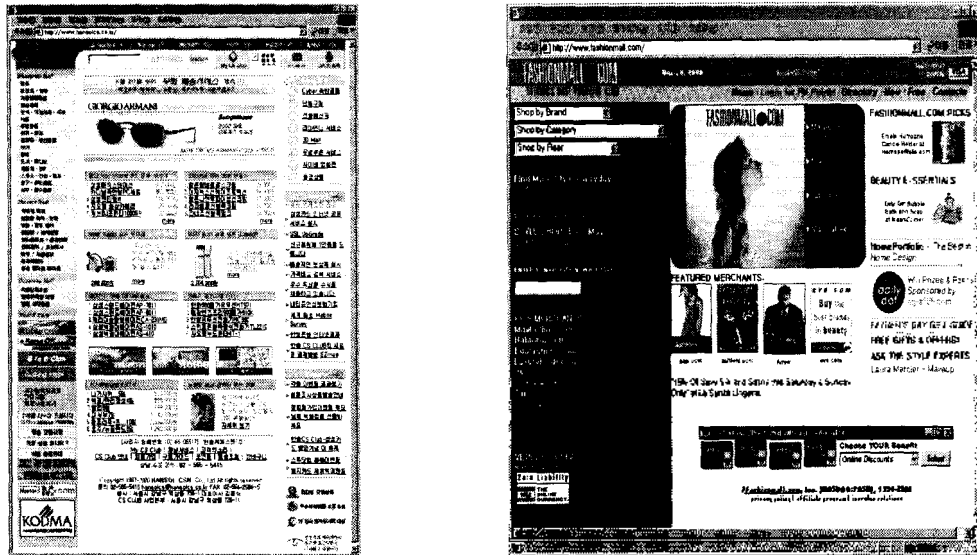
① General Cybermalls

Typical sites of mall of malls include LG Home Shopping[14], Kolon Cyber Mall[15], Interpark[16], Amoffprice[17] and Bluefly[18]. Domestic LG Home Shopping and Kolon Cyber Mall deal

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[12] http://www.inews24.com/news/news_view.asp?g_serial=5638&g_menu=022000

[13] "Next Generation Distribution: Cyber Shopping Mall," Tex Journal (February 1999) : 104-105.

[14] www.lghs.co.kr

[15] www.kolonshop.com

<Fig. 2> Home Pages of Hansol CS Club and Fashionmall.

in clothes and all products that are related to everyday life. Interpark, the first Korean cyber mall, is a general cyber mall consisting of specialized shops. American malls are mostly of a department store type. Amoffprice, served in 8 languages, is a regular discount site focusing on fashion goods, and Bluefly is a fashion outlet site.

② Best Cybermalls

Home pages of Korean Hansol CS Club[19] and American Fashionmall[20] are selected as the best cyber malls <Fig. 2>.

The features of the best domestic and foreign sites are summarized in <Table 2>.

Hansol CS Club, founded in 1997, presents its home page containing an array of products. Although it is the first clothing site opened online in Korea, it has a limited selection of

brands. Customers can search and compare up to 5 products with detailed information of material and feature of the goods through enlarged photographs. It provides a relatively easy way to pay and safe environment for customers using the SSl 40-Bit security method. It also pursues a free delivery principle and offers the convenience of checking delivery status to customers. In addition, Hansol provides customer service such as point-saving benefit.

Fashionmall, established in America 1994, was selected as the best foreign site. As for the display configuration, its home page embodies the nature of fashion and offers descriptions of the related sites too. Its product range consists of only fashion goods, however, characteristically they are not directly sold in the site but in other linked sites. The payment system, delivery and dispatch system, and customer management and

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[16] www.interpark.com

[17] www.amoffprice.com

[18] www.bluefly.com

[19] www.csclub.com; the winner of the Great Prize of the first Best Cybermall Selection

[20] www.fashionmall.com

<Table 2> Comparison of the Sites of Hansole CS Club and Fashionmall

	Hansole CS Club	Fashionmall
Established year and country	1997 Korea	1994 USA
Display configuration	Various product arrangement Easy product search	Simple and neat
Products	The first clothing brand site	Directly linked to each brand site
Payment system	Remittance and card payment	Dependent on each linked brand
Delivery and dispatch system	Exchange and return are allowed Convenient delivery checking	Dependent on each linked brand
Customer management and service system (besides goods information)	Point-saving benefit to members Customers' opinion board Channel service My CS Club (an offer of persona- lized information)	Dependent on each linked brand

service system are dependent on the linked brand.

③ Comparison and Analysis of the Features of Domestic and Foreign Sites

The domestic cybermalls have the following characteristics compared to the foreign ones: The home pages of the domestic sites give highly dense and oppressed impressions in a design manner, and color combination, font type and font size are unsatisfactory compared to the foreign ones. The sites do not focus on fashion goods. And the Korean sites sell mainly from the stock in hand, while the foreign ones not only deal in stored goods but are also linked to other brands.

(2) Cyber Department Store

① General Cybermalls

Among Korean mall, Lotte Department Store[21] implements an electronic catalogue and Shinsegae Department Store[22] boasts a unique home page with a updated status checking function. Macys[23] among foreign malls introduces several items chosen from a relatively wide range of products in its home page, and Neiman-Marcus[24] features a simple home page of an moderate image with segmented display. Mark & Spencer[25] has a concise home page which is liked to other shops of Korea and Europe.

② Best Cybermalls

The home pages of Hyundai Department Store[26] and Bloomingdale's[27] are shown in <Fig. 3>.

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[21] www.lotte.shopping.co.kr

[22] cybermall.co.kr/shopping/scs.asp

[23] www.macys.com

[24] www.neimanmarcus.com

[25] www.marksspencer.com

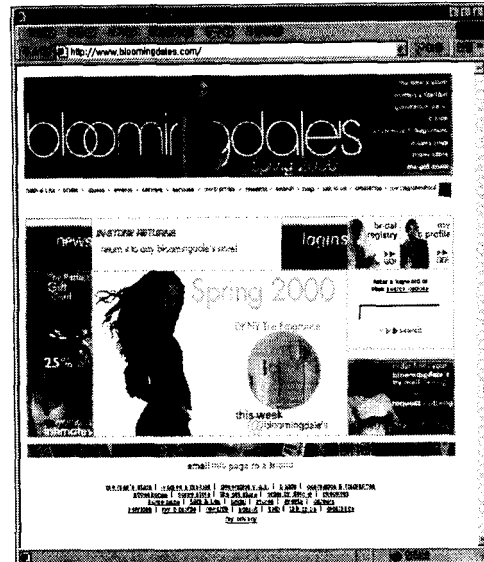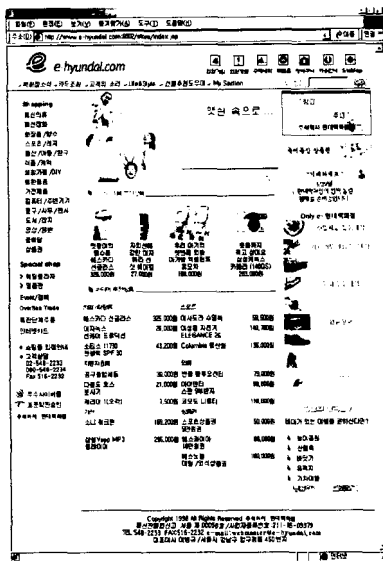[26] www. e-hyundai.com; the winner in the Integrated Part of the second Best Cybermall Selection

[27] www.bloomingdales.com

<Fig. 3> Home Pages of Hyundai Department Store and Bloomingdale's.

The features of the best domestic and foreign sites are summarized in <Table 3>.

Hyundai Department Store, the best domestic mall, founded in 1998, provides photographs of adequate images and recommends goods every month in its home page, and is equipped with a navigation system for customers to directly search

desired items. It sends e-mails to buyers while adopting a point-saving system and a security protocol set to improve security as well as providing short product descriptions and price indication with both normal and selling prices. Its customer services include the gift-recommending helper, events and auctions, and custo-

<Table 3> Comparison of the Sites of Hyundai Department Store and Bloomingdale's

	Hyundai Department Store	Bloomingdale's
Established year and country	1998 Korea	USA
Display configuration	Easy Product search Various products	Similar images to fashion catalog
Products	Consist of shopping & special shop parts	Searching by keyword
Payment system	Remittance and card payment	Card payment
Delivery and dispatch system	International delivery Exchange and return are allowed	Return allowed
Customer management and service system (besides goods information)	Gift recommendation Provide shop assistant corner Department event, Life & Style Customers' opinion board	Cybermoney saving system, event, FAQs

mers' product evaluation corner.

Bloomingdale's, the foreign best cybermall, implements a relatively simple home page which gives an image of a fashion catalogue. Customer can search products with a key word, send e-mail to a person when sending a gift to him or her, and are provided with bridal consultant. Goods are returned at customers' expense, and the customer service include the suggestion and explanation of a new trend, point-saving of 3%, and free delivery in the case of the best customers.

③ **Comparison and Analysis of the Features of Domestic and Foreign Sites**

The following results are obtained from the comparison of the best department store sites at home and abroad. First, the foreign site's home page is designed plainly with well balanced coloring on the whole to give customers an easy search of products. Second, the foreign site provides various products, while the Korean one tends to attach too much importance to casual goods. Finally, the foreign site pursues community-oriented customer services with social volunteer works and free electronic greeting cards, while the domestic one provides lopsided services focusing on gift-giveaway events.

2) Specialized and Direct-sales CyberMalls

(1) General Specialized and Direct-sales Cybermalls

This type of malls can be divided into general

ones and the best ones. The former includes www.whitelove.com[28], www.pantyhouse.co.kr[29], www.fatizen.com[30], lgfashion.ecworld.net[31] and at home, and www.bebe.com[32], www.bcbg. com [33], www. ilbean.com[34] overseas.

(2) Best Specialized and Direct-sales Cybermalls

The home pages of Good People Co. Ltd.[35] and Guess[36], which are selected as the best domestic site and the best foreign site, respectively, are shown in <Fig. 4>.

The features of the best domestic and foreign are summarized in <Table 4>.

Good People, established in 1994, provides various information evoking fun and interest from customers using dynamic configuration of display. Its products largely consist of men's, women's, children's clothing and accessories. It supports both cash and credit card payment with a delivery period of 3~7 days after receiving the money in case of cash payment.

Guess's site, founded in America 1994, delivers the company's image effectively by well -constructed contents and graphics with sensational coloring techniques. It is equipped with a navigation function to show the present position of customers using a triangle mark when they search several different sites. Its products include women's, men's, gifts, mix & matches and guesskids.

(3) Comparison and Analysis of the Features of Domestic and Foreign Sites

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[28] www.whitelove.com

[29] www.pantyhouse.co.kr

[30] www.fatizen.com

[31] lgfashion.ecworld.net

[32] www.bebe.com

[33] www.bcbg.com

[34] www.ilbean.com

[35] shop.j.co.kr; the winner in the Direct Sale Part of the second Best Cybermall Selection

[36] www.guess.com

<Fig. 4> Home Pages of Good People Co. Ltd. and Guess.

In case of foreign ones, specialized cyber malls of a category-killer type operate actively dealing in specific fashion items, for examples outdoor products and active-sporting goods, while such specialized sites are hardly found at home. The domestic sites are inferior to foreign

<Table 4> Comparison of the Sites of Good People Co. Ltd. and Guess

	Good People Co. Ltd.	GUESS
Established year and country	1994 Korea	1994 America
Display configuration	Dynamic configuration of display Proper arrangement of menu bars Easy search	Well-constructed contents and graphics with sensational coloring techniques
Products	Men's, women's, accessories, children	Women, men, gift, mix & match, guesskids
Payment system	Cash and card payment SSL security method	Cash and card payment
Delivery and dispatch system	Delivery period of 3~7 days after paying the money	FedEX, USPS delivery system Possible exchange and return
Customer management and service system (besides goods information)	Membership and cybermoney saving system Special menu: auction, flower festival Theme menu: underwear information Fashion show A board	Customer service via e-mail SSL security method Size chart, Jean guide Mix & match

ones in regard to coloring, lettering style and overall construction. And, foreign sites arise customers' interest with various products and delicate customer services.

2. Results of the Case Analysis of Cyber Fashion Malls.

The following issues have arisen as a result of the case analysis of cyber fashion malls.

First, web designs and contents must be built to process and express product information in order to make customers feel the same way as they shop in offline shops.

Second, the internet malls should provide customers with an integrated service as well as e-commerce.

Third, varying products must be developed, and especially, in the case of offline-cum-online shops, it is essential to differentiate prices and to offer a vast range of products with depth and width.

Forth, the techniques of graphics, coloring and texturing, and layout design must be adopted to process and express product information.

Finally, the legislative system needs to be prepared and improved to deal with the security matter of electronic payment and customer protection.

IV. The Conclusions and Future Guidelines

The conclusions of the study and future guidelines can be given as follows:

To build ideal cyber fashion malls keeping pace with the current of information and globalization age, we suggest the following as the essential factors for web design, planning and management.

Above all, the important factors for web design are as follows: First, implication and adequacy must be contained. Second, web sites must allow speedy access. Third factor to be considered is accuracy. Fourth, originality needs to be considered. And finally, consistency must be maintained.

Next, the essential factors for planning and management for web design can be summarized as follows: First, customers should be allowed to construct the contents of the sites through a board and the discussion groups of chatting room or forum which use the main advantage of two-way communication of internet, as well as the speedy update by manager, the automatic reply for customers' questions and FAQs. Since the key advantage of internet cybermalls is time and spatial unlimitedness, the management must go smooth for day and night.

Second, a simulation mode or a cyber fashion show can be provided to please customers, as well as the techniques and programs must be developed to assure them of product quality when they are not able to try on the clothes by themselves. Comparison methods, for example by dressing a real model, must be provided on the screen. The detailed size chart dependent on the items and clothing types, different from the current indiscriminated one, need to be proposed.

Third, customer's visiting experience is to be optimized by providing value in such a various aspects as easy search system, the latest goods information, the improvement of customer service (for example, service-on-demand, personalized service, an offer of timely information, etc.), differentiated dispatch system (for example, real-time delivery checking), development of adequate events, etc..

Fourth, the visual display of goods and convenient shopping systems are required from the technical viewpoint. Detailed images, display combined similar items, and display on various phases such as the front and the side views are the visual appearance techniques for successful web site construction.

And finally, brand equity must be enhanced in order to manage brand name recognition and preference, brand image and brand's individual character on the whole.

This limited study does not cover the matter of how virtual images will satisfy the real touch-and-feel desire of customers who want to

try on clothes themselves before actual purchase. To realize more realistic virtual purchases when setting up the internet business system, further studies need to present solutions to various problems through the close observation of the interface and data analysis, and therefore, suggest a model site where techniques, marketing and design are ideally combined.

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