The New Venture Survival: Garment Customization Enterprises
-Taking SAINT ANGELO Inc. as an Example

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ABSTRACT

With the development of the Internet and technology, there are many problems in the traditional clothing enterprises that are facing a crisis of survival. Therefore, the defects of the traditional garment companies are proposed at first. Then, how the SAINT ANGELO fashion brand successfully survived and brought more enterprises the probability of success is studied. To do this study, literature research method and case analysis are adopted in this research. According to the results of this research, the traditional clothing companies cannot survive due to the lack of clear value proposition, channel integration and advanced technology. Besides, the success of SAINT ANGELO Inc. shows that the accurate value proposition helps it produce right products conforming customers' value concept. In addition, the high brand awareness helps it obtain the industrial chain resources. Moreover, the switch from online to offline gives full play to the advantages of the Internet and breaks the traditional service system. Furthermore, the intelligent factories are useful to increase production efficiency and sales volume, and the big data cloud center is used to obtain unavailable customer information and feedback.

Keywords: Survival of enterprises, Garment Customization Enterprises, O2O, networking, intelligent technology

1. INTRODUCTION

The traditional clothing companies have derailed from the market and suffered from the decline of market share due to the unclear value proposition, lack of the channel integration, and the advanced intelligent technology has not been applied, which make most of the traditional garment enterprises have difficulty in surviving[1].

With the development of the Internet and intelligent technology, the combination of customization with Internet and intelligent technology will become a huge market. Under this background, SAINT ANGELO Inc., as an earliest custom clothing enterprise, has successfully took the lead in this market. By summarizing the mistakes of peers, analyzing the successful business model of SAINT ANGELO Inc. and applying literature research method, which contribute to enable more garment customization enterprises to successfully survive in this market when they meet difficulties or make mistakes.

2. THE DEFECTS OF TRADITIONAL CLOTHING COMPANIES

There are three defects of traditional clothing companies[2]. These defects affect each other and form a vicious circle, which eventually makes it difficult to survive. Figure 1 illustrates the situation.

Figure 1. The survival crisis of the traditional clothing companies

It can bee see that a clear value proposition means a good start. A few years ago, the traditional clothing companies tended to be flurried. Even when why entered the market unprepared, the companies can still profit under an unclear value proposition. However, with the upgrade of the consumption, if these companies do not clearly think about whether its value proposition is in line with consumers' value concepts and do not make proper adjustments, it is difficult for them to produce right products or obtain customers any more.

In order to save costs, many traditional apparel companies only open online or offline channel. However, they ignore the economic benefits brought by online to offline. O2O can breaks the traditional service system and enhance the customer experience[10]. In the future, clothing customization will rely on the development of the Internet, focusing on "platform+online customization + offline experience"[8].
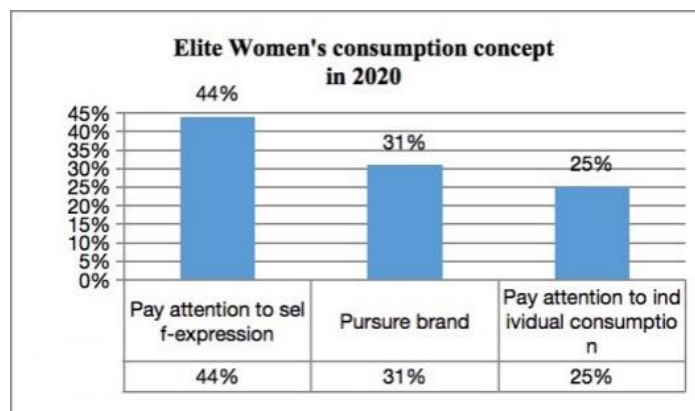
Many traditional clothing companies are still downstream in the industrial chain. Hence, it is difficult for them to introduce advanced technical equipment. As a result, they cannot use intelligent technology to obtain consumer information and data conversion, thus missing the chance of success.

3. THE SUCCESS OF SAINT ANGELO INC.

3.1. Accurate value proposition

Accurate value proposition is a good start of any company, and if the company can make proper adjustment timely during its development, it can win more customers.

The value proposition of SAINT ANGELO Inc. is to combine high-end, self-expression and customization together. This brand has always targeted the middle class of 26-55 years old men who have high-quality consumer concepts and customization request[6]. However, as time goes by, SAINT ANGELO Inc. sees that the proportion of women entering the workplace expands, they gradually pay more attention to self-expression and are eager to original design, as shown in figure 2 and 3, so the company timely takes the elite women as their targeted customers too and produces right products that conform their value concepts. It is the company's accurate value proposition and timely proper adjustment that helps it win more and more customers.

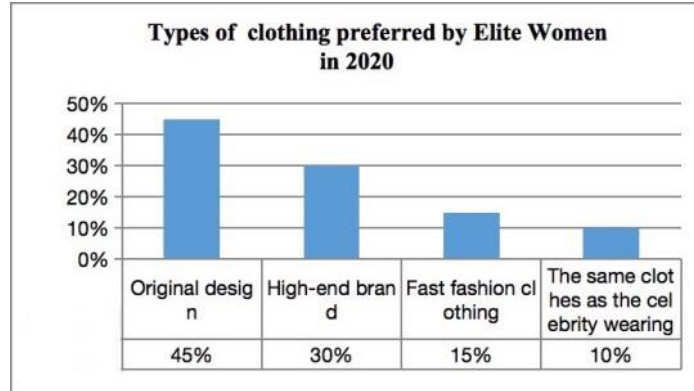**Figure 2.** The consumption concept of the elite women in 2020

Figure 3. Types of clothing preferred by the elite women in 2020[3].

3.2. High brand awareness

SAINT ANGELO Inc. has gone through four stages, which finally contribute to its high brand awareness.

The first stage was that this company was established by many famous apparel companies in 1996. In the second stage, SAINT ANGELO Inc. kept expanding and successfully listing. In the third stage, the company completed the preliminary layout of the national market. The fourth stage is that the company started to customize and comprehensively upgraded the production and channels[9], at present, SAINT ANGELO Inc. is properly in the fourth stage.

In the course of development, SAINT ANGELO Inc. has attracted the height of the government and media attention, which is conductive to improvement of brand awareness, and now SAINT ANGELO Inc. has become a well-known Chinese brand and has a certain influence in the industry association, which helps the enterprise to obtain the industrial chain resources, makes SAINT ANGELO Inc. won a good reputation in the market, laying a goof foundation for its deepening of upstream and downstream cooperation.

3.3. Achieve Online to Offline

The SAINT ANGELO Inc. has been expanding the traditional offline channels. This company has more than 1300 sales outlets[9]. Figure 4 illustrates this situation.

Figure 4. The number of offline stores of SAINT ANGELO Inc.

The experience is a core feature of the O2O model, in the offline physical stores, online traffic introduces customized customers to offline stores, uses offline resources to improve the store's integrated service experience and then provides consumers with more products, better services.

The SAINT ANGELO Inc. provides personalized customization services such as tailor-made and personalized transformation to deepen the consumer's experience in custom clothing.

In terms of online channel, SAINT ANGELO Inc. built their own custom website, social media custom channels such as We-Chat, 400 custom channels and its own electrical business channels, which can timely provide online customers with 7*24 hours of self-service. It can be see that the O2O e-commerce model solves the e-commerce problem under the traditional model, enables SAINT ANGELO Inc. to gain long-term development advantages.

3.4. Create intelligent factory

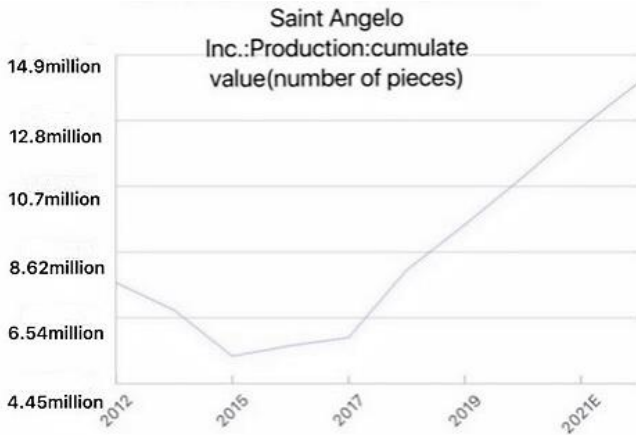Since 2015, the company upgrades the original traditional production plant into an intelligent factory, which overcomes the difficulties of personalized production quality and low production efficiency of clothing.

Due to the intelligent factories, the capacity of customized production has increased a lot compared with the past[7]. There are two diagrams to show the trend of the total production and the sales volume.

Figure 5. The production of SAINT ANGELO Inc.[4]

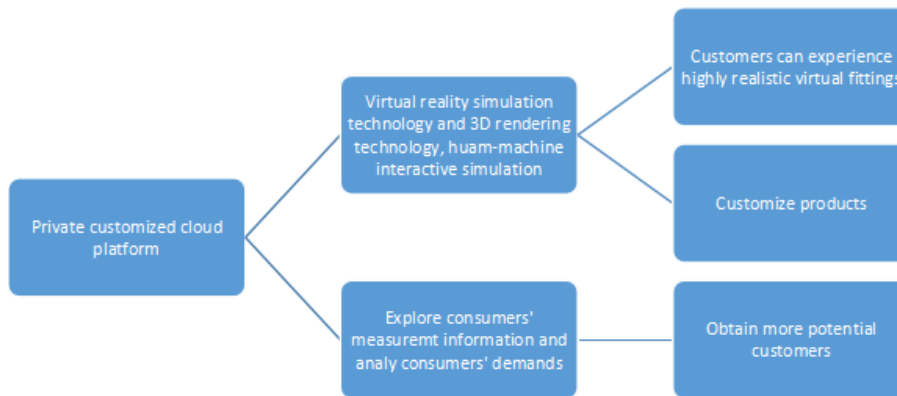**Figure 6.** The sales volume of SAINT ANGELO Inc.[5]

Figure 7. The operation of the private customized cloud platform

It can be see that from 2012 to 2015, the production volume shows a declining trend and the sales volume fluctuates greatly. In 2015, the production volume and sales volume both reached the lowest value. However, since the introduction of intelligent factories after 2015, the production and sales volume show a sharp rise.

The SAINT ANGELO Inc. sees the benefits brought by the intelligent factories, so it is also committed to creating a new EMTM digitally factory system through intelligent technologies such as RFID, ECAD, EWMS, CAPP to achieve collaboration and integration of independent research and design, customers can directly contact the intelligent factory when placing orders on their own, so that they can understand the whole process of their orders in the factory.

3.5. Create a private customized cloud platform

Since the e-commerce platforms have developed rapidly, SAINT ANGELO Inc. seized the opportunity to develop virtual reality simulation technology and 3D rendering technology. The creation of the platform has greatly increased customers' experience.
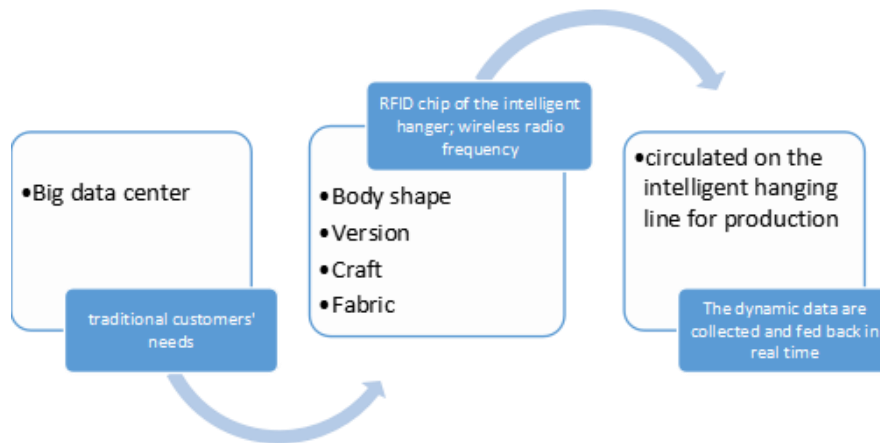
Many customers have demands on trying on clothes online and freely collocating or choosing fabric to customize[9].

According to customers' needs, SAINT ANGELO Inc. creates the private customized cloud platform so that the customers can experience highly realistic virtual fittings, completely get rid of the trouble of queuing. In addition, they can see highly restored mannequins and then choose fabrics or accessories to customize products, which meets their needs in deed.

As long as the user's measurement is completed, the consumers' measurement information will always be entered to generate electronic data. The private customized cloud platform deeply explores consumers' demands and enhances customers' experience for personalized customization so as to obtain more potential customers. Figure 6 illustrates the situation.

3.6. Create a big data cloud center

Big data can help companies obtain unavailable customer

information and feedback[11]. Nowadays, big data analysis is widely used in various industries.

The SAINT ANGELO Inc. timely seizes this opportunity, creating a big data cloud center to manage consumer data. Based on big data analysis, the company can browse consumers' web-page records, analyze the search and purchase frequency of different types of products.

In addition, the data cloud center can transform traditional customers' needs into four kinds of data, which are body shape, version, craft and fabric and these data are stored in the RFID chip of the intelligent hanger, scanned by wireless radio frequency, circulated on the intelligent hanging line for production, and the dynamic data in the production process are collected and fed back. Finally, SAINT ANGELO Inc. can master customers' data in real time. Figure 7 illustrates the situation.

Figure 8. The operation of the big data cloud center

4. CONCLUSION

From what have been discussed, a clear value proposition is a good start for any company, during the development of the companies, it is necessary for them to make adjustment to make sure that their value proposition is in line with the customers' concepts, instead of standing still. In addition, a high brand awareness can help the enterprises to obtain the industrial chain resources, win a good reputation in the market, laying a goof foundation for deepening of upstream and downstream cooperation. With the development of networking, O2O e-commerce model is becoming more and more important, as it takes consumer experience as the core, breaks the traditional service system, so the companies should seize the opportunities brought by the O2O to increase the customer experience. Besides, the intelligent factories and the big data cloud center show that it is very indispensable for any company to introduce advanced intelligent technology as it can help

the companies increase production efficiency, sales volume and help the companies obtain unavailable customer information and personal feedback. This paper lacks of SWOT analysis of SAINT ANGELO Inc. such as its strength and weakness. There is also a lack of analysis of the external environment, such as Chines political situation, economic environment, social issues, which will affect the development of the apparel custom industry in the future. Besides, in the future, I want to research blue ocean strategy for companies' innovation and development.

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