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Article
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Markenbrand

Provided in Cooperation with:
Hochschule Neu-Ulm, Kompetenzzentrum Marketing & Branding

Suggested Citation: Detzel, Raphael; Mahle, Irene; Pätzmann, Jens U. (2016) : The Connection Between Service Design and Brand Personality: An Explorative Study Analyzing the Curated-Shopping-Platform "Zalon by Zalando", Markenbrand, ISSN 2195-4933, Hochschule Neu-Ulm, Kompetenzzentrum Marketing & Branding, Neu-Ulm, Iss. 5/2016, pp. 57-65

This Version is available at:
http://hdl.handle.net/10419/178308

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The Connection Between Service Design and Brand Personality

An Explorative Study Analyzing the Curated-Shopping-Platform „Zalon by Zalando“.

Authors Raphael Detzel, Irene Mahle & Jens U. Pätzmann

The connection between service design and brand personality is a topic that has gained increasing importance. Service Design, as a field of research, is gaining more attention due to the growing significance of service-related sectors. This article explores the potential of using brand personality as a guiding principle for the design of new services. In particular, e-commerce companies are extending their business models towards services. Hence, the research question is examined through a case study of the online retailer Zalando and their Curated-Shopping platform „Zalon by Zalando“.

Through a literature analysis, it could be shown that this service is an example of a classic service design process. Furthermore, the hypothesis could be confirmed that Zalando uses a branding strategy to enter the market. Subsequently, the evaluation of brand personality as a guiding principle for service design of „Zalon by Zalando“ was carried out, which showed that Zalando transferred the human characteristics of the brand core to the service.

ZUSAMMENFASSUNG

Finding a precise definition for Service Design seems to be challenging. As Stickdorn & Schneider (2011) describe, there is no common definition or clearly articulated language of Service Design. Mager & Gais (2009, p. 42) argued that it creates functionality and form of services from the perspective of customers. Therefore the redesigning of existing services is part of Service Design as well as the development of new innovative services. Moreover “Service Design aims to ensure service interfaces are useful, usable and desirable from the client's point of view and effective, efficient and distinctive from the supplier's point of view.” (Mager & Gais 2009, p. 42). Moritz (2005, p. 7) corresponds with that definition, he extends it with a description of the scope of Service Design. Thus it is a new holistic, multi-disciplinary and integrative field, based on the two influence factors of the client and the organisation (see Figure 1).

The client oriented definition of a Service Design process is based on a user-centered approach with a focus on touchpoints. That process can be seen from three different levels as they have a strategic level, a system level and an interface level (Mager 2014, p. 64). Mager structures that Service Design process in four phases, which spirally build up on each other (see Figure 2).

Changes in Society: Digitalisation

For a long time society was characterized by an industrial era with a focus on products. That changed in the last years as services are getting more important and customer expectations lead the development of a service society. Moreover the technology enables services, which are based on humans’ individual needs (Moritz 2005, p. 23). Because of the digitalisation there is a need for new ways of thinking. The possibilities are numerous for customers, that is why the companies need to use big data in the right way. Users want individual and customised offers (Esch, 2014, p. 48). Therefore most of the time it is not enough to focus on the product. Moreover the extension in the service sector is necessary. Service Design helps to innovate or improve service from the perspective of customers.

Zalando as practical example

95% of the German population assert they have heard the name Zalando already once (Seidel 2013, p. 157). That is impressive because the company itself was founded not before 2008. Nowadays Zalando is present in 15 European markets including Germany as the country of its head office. The strategical fun-
dament of Zalando is based on the ‘Zalando code’. Zalando claims that they are connecting people and fashion with the interaction of international fashion expertise, innovative technologies and highly efficient operation processes (Zalando SE 2015a, p. 4). Furthermore, in March 2015 Zalando published first information about the planned platform strategy. According to the claim ‘Connecting people with fashion’, Zalando wants to provide a fashion platform where customers, brands and intermediates can meet. The curated shopping service ‘Zalon by Zalando’ is one component of that strategy as it can be seen as ‘connecting customers and stylists’. Two other components are brand solutions (‘connecting customers and brands’) and advertising services (‘connecting customers and advertisers’) (Krisch 2015). In conclusion, Zalando delineates its way into the future ‘from a trade company that is technology driven to a technology company that enables and supports fashion trade’ (Weiss 2015).

The Trend of Curated Shopping

The trend of curated shopping started in 2011 in Germany, while the base idea was born in the US before (Fasching 2015; FAZ 2015). The new business model combines the individual consultation of the stationary trades with the database of E-Commerce companies online. On the basis of a questionnaire and a personal contact with a style consultant, customers get personal shopping outfits sent. The service is mostly for free, only the outfits need to be paid. Therefore curated shopping services are strongly connected with the products they recommend.

The curated shopping market in Germany is divided in more or less seven providers. Outfittery and Modomoto are among the pioneers of the niche. Both started around the beginning of 2012 and focus only on men. Zalon by Zalando, as the object of study, is the only provider that is offering its service equally to men and women (Rösch 2015; Outfitservice 2015).

Research question and hypotheses

‘Do E-commerce companies use their brand personality as a guiding principle for the design of new services?’

To answer the research question, first three hypotheses are formulated as a help to answer it at the end. First of all, it is necessary to check if the service of Zalon by Zalando is a suitable example for Service Design which was already defined earlier. Therefore the first hypothesis is formulated:

\[ H_1: \text{Zalon by Zalando was built up with a Service Design process.} \]

In a second step it needs to be examined if Zalando transferred brand characteristics to their new service, or if they created a totally new brand on the market. That leads to the second hypothesis:

\[ H_2: \text{Zalando did a brand transfer to Zalon by Zalando.} \]

In literature, brand transfer is defined as the transfer of the brand name of a well-known and established brand for a new product or service (Meffert 2014, p. 800). A brand transfer strategy reduces costs and uncertainties as well as time for the development of a new go-to-the-market strategy. The purchase risk

Figure 2: Service Design Process
Source: Own representation based on Mager 2009, p. 68
for customers decreases and they accept the brand faster (Sichtmann, Klein & Ostruk 2008, p. 123). But a brand transfer strategy is no guarantee for a sustainable success of the service. It can even lead to failure or a damage of the core brand.

If these two hypothesis can be answered positively, the third hypothesis with a focus on the brand personality needs to be analyzed for a later answer of the research question. Therefore the third hypothesis is:

$H_3$: The service of Zalon by Zalando is based on the brand personality of Zalando.

Homburg (2012, p. 615) describes brand positioning with the help of three facets of a brand: the brand core, the brand benefit and the brand personality. The onion model of Homburg and Richter builds the fundamental background for the use of the brand personality in the current work. It combines the three facets of a brand in a visual way. Every facet is combined with a question that is describing it. The brand core (“Who am I?”), surrounded by the brand benefit (“What do I offer?”) and the brand personality (“What am I like?”), is pictured in that model (Homburg & Richter 2003, p. 15).

**Analysis of the Service Design Process ($H_1$)**

Zalando created an own interdisciplinary team and subsidiary company named ‘Zalando Fashion Entrepreneurs GmbH’, which began to work on the idea of launching an own curated shopping platform in 2014 (Rösch 2015b). It started with a questionnaire on Zalando.de to get insights on the customer requirements and needs (Henkel 2015). That can be seen as an exploration phase. With the first findings and the analysis of the competitors, Zalando could manage the start of the programme. Using the insights from the exploration phase, the team started under the working title ‘Project Z by Zalando’ on a first prototype. That internal development can be seen exemplarily for the creation phase.

In March 2015 the official test phase started, still under its working title. Within a time slot of seven weeks, a few thousand customers tried the new service offer. The feedback of the customers was included in the final version of the service. As an example, the users wanted more information about the stylists before using the service. Because of that, the project team developed profile sites of their stylists with pictures, videos and texts, enabling the customers to choose (Henkel 2015). Therefore this test phase can be seen as the reflection phase. It was followed by the implementation phase and the launch of the service in May 2015. The service went online with the new name ‘Zalon by Zalando’.

![Zalando Onion Model](image-url)
The launched site has a lot more features as it had in the test phase. The profiles of the stylist are connected with their Pinterest profiles, to facilitate the right choice even more. ‘Tell a friend’-buttons are included to push the word-of-mouth recommendation. Moreover, the design of the website and the package changed as well as the extent and design of the questionnaire. In addition, Zalando took over 15 new developers from the insolvent technology start-up ‘Txtr’ in March 2015 to build on the platform (Rösch 2015b). That fact as well as the cautious communication so far show that behind Zalon by Zalando is still an iterative process ongoing. The goal is to design the service in the best way for the customers.

In conclusion of that analysis based on the four phases outlined in the Service Design process, hypothesis $H_1$ can be confirmed.

**Analysis of the brand transfer ($H_2$)**

Zalando built up its curated shopping platform a long time with the working title ‘Project Z by Zalando’. It suggests that in the first phases of the development the brand positioning of the new service was not defined yet. Only with the launch of the service the name ‘Zalon by Zalando’ was published. As the core brand Zalando is still contained in the name, an associative branding can be assumed. Within that form of brand transfer, companies try to use the core brand to build up an additional independent brand. With an increasing acceptance of the market, the new brand can be separated from the core brand and positioned detached. The core brand can be seen as a kind of a starting aid (Günther 2002, p. 11).

The environment of the curated shopping segment in Germany is characterised through several start-ups. Outfittery, Modomoto, 8select or Kisura try to build up brand awareness in the market with their new business model itself. Peek & Cloppenburg (Fashion ID Stilbox) uses a new name without direct connection to the core brand. Therefore the strategy of Zalando can be an advantage in the market, as there is a high awareness of Zalando in a related business segment. Customers which are satisfied with Zalando so far, will transfer the image to Zalon by Zalando. New customers of the trend curated shopping could tend to use the service of Zalando.

This is why it can be assumed that Zalando used a brand transfer strategy for its new curated shopping service Zalon by Zalando. Therefore, hypothesis $H_2$ can be confirmed.

**Analysis of the brand personality ($H_3$)**

For a comparison with the Service Design of Zalon by Zalando, the brand personality of Zalando is visualized and applied with the help of the onion model of Homburg and Richter (2003, p. 15; see Figure 3). The brand core of Europe’s leading online platform for fashion is outlined in the annual report of Zalando and describes the core values of the brand in one sentence (Zalando SE 2015a, p. 4). Moreover the brand benefit and the question of what Zalando offers need to be determined within the model. According to the

![Figure 4: Examination Construct](source: Own representation)
Zalando code they offer in the very-first fashion. The other two columns are summed up in that frame in the term innovative technology. Furthermore Zalando is famous for a fast and free delivery. In the segment fashion expertise Zalando uses experts and scouts to offer the newest trends in combination with smart data (Zalando SE 2015a, p. 11). In addition brands are important in the offer spectrum. Zalando is a strategic online retailer of 1.500 brands worldwide, including private label brands e.g. Zign (ibid., p. 11).

For the creation of five human characteristics as a description of the brand personality, the brand personality framework helps in a first step (Aaker 1997, p. 352; see Figure 3). Zalando fits the best to the category of excitement (Aaker, Stahl & Stöckle 2014, p. 37). Therefore the term daring is copied from the framework as well as the term innovative (including the meaning of up-to-date). Zalando is innovative in terms of technology and the adaption of new ideas and trends. On the other hand, Zalando seems to be daring concerning its TV commercials and its rapid growth from a start-up to a market leadership. In addition to these facts, Zalando can be seen as young as the company exists only since 2008. Moreover the original target was young for a long time. To complete the brand personality the terms international and emotional are introduced. The company offers a platform for 14.7 million customers from 15 different countries and is an important retail partner for all its international brands (Zalando SE 2015a, p. 10). Moreover the team of Zalando is getting more and more international (ibid., p. 19). Zalando creates emotional awareness of the brand with a specific and emotional customer contact. That begins with campaigns such as ‘Free your Fashion’ where Zalando encourages its customers to get rid of supposed fashionable conventions and to realize their own styles (ibid., p. 31). And it ends with the continuous work on the magical moment of unpacking a Zalando package (ibid., p. 30).

As a third subject of examination the defined brand personality characteristics of Zalando need to be compared with the Service Design of Zalon by Zalando. To analyse that in an expedient manner, four categories are introduced in the right part of figure 4.

In the first impression the website of Zalon by Zalando is rather simple and clean. The usual orange color of Zalando is complemented with the colors white and blue. The content is clearly arranged and visually designed. Next to three main categories (to the outfits, to the stylists, winter-sale-box), a main part of the site is composed to explain the service in detail. The main subjects give an overview on what Zalon by Zalando is about. The category ‘to the outfits’ leads to a storytelling where stylists (named and shown with pictures) show an example of an outfit they have compiled. The category ‘to the stylists’ gives an overview on selected stylists with pictures and texts to lead the customer to a first feeling of the personal contact (Zalando SE 2015d). Moreover, the goal of the landing page is obviously to give an overview how the service can look like as well as convincing the customer to register. With regard to the brand personality characteristics the website is not representing the ‘daring’ a lot. However with a nice optic and young stylists pictured, the website appears to be ‘young’. The term ‘innovative’ is limited, but the first impression represents innovativeness. With the storytelling and personal language the content is highly emotional in combination with the pictures. Only the internationality is not that obvious on the website. The stylists are all from Germany, as the service is only available in Germany so far.

The registration on the website is separated in men and women. It starts with 15 pictures of different styles, where the customer needs to decide if the style obliges or not. In the next step the customer needs to choose according to personal preferences out of 24 colors and 20 brands. Moreover, out of 15 styles the customer needs to check his “hot or not”-looks, e.g. chelsea boots or skinny jeans. Afterwards the willingness to pay for several products is asked, followed from the opportunity to upload pictures. Hair color, complexion and body proportions (shown in drawings) need to be indicated furthermore. After last in-
formation about the clothing sizes the customer can log in if he or she is already a Zalando customer. If not, he or she needs to fill out a new registration mask (Zalando SE 2015d). The registration is easy to fill out and clear in understandings. The drawings, pictures and design represent the characteristics innovative, young and emotional in a fulfilled manner. Again, the terms daring and international are not strongly represented in the registration process.

In the first instance, the communication tools which Zalon by Zalando is offering, are the same as they are common in the industry. But some parts are different to the competitors. First of all the customer has the opportunity to choose the one’s stylist out of three, which are recommended after the questionnaire. With the preferred stylist a telephone appointment can be organized to check details in preferences (Henkel 2015). The competitors Outfittery and Modomoto do also offer that service, but without choice of the stylist. 10% of the stylists at Zalon by Zalando are employed at Zalando in Berlin, 90% are freelancers and work from different areas in Germany. Zalando claims that as an advantage, because the consultants can cover regional preferences as well (Rösch 2015b).

In September 2015 Zalon by Zalando launched the Zalon chat. The 150 stylists offer a short-term, mobile and competent fashion consultation via WhatsApp, for customers and non-customers (Hell 2015). Monday to Friday from 8 a.m. to 7 p.m. the stylists are available (Zalando SE 2015c). They help in fashion questions or where to get a product. Moreover the user can send photo uploads to show a product they have seen and like (Hell 2015). In consideration about these communication tools the term ‘daring’ can be fulfilled with the decision to integrate WhatsApp in the service process. That is also describing a young attitude and an innovative way of thinking. Moreover, the possibility to communicate mobile from all over the world is a highly emotional and international aspect.

As it could be expected, the shipping and packaging is based on the approach of Zalando itself. Shipping and return shipment are for free as well as the service of consultation. The package design changed while the test phase was going on. Now it is blue and is designed in a young refreshing way. In total it looks like a modern suitcase. From an economic point of view, the free delivery was a daring and innovative idea of Zalando in the past and it is still in the context of Zalon by Zalando. As the service and the shipping is for free, the only income is based on the products the customers really like. But with the use of smart data and consultation, the hit rate can be increased in comparison to the traditional orders without a con-
sultation. Zalando is still working on the magical moment when the customer is getting his or her package and uncloses it. Therefore especially at Zalon by Zalando the shipping and packaging is a very emotional part of the design, as the customer does not know what he or she can expect. The internationalization is planned for the future but is not that far at the moment (Zalando SE 2015e, p. 10).

As the results are outlined in an overview (see figure 5), it can be assumed that the five brand personality characteristics were used at least in some parts as guiding principles. Especially the characteristics ‘young’, ‘innovative’ and ‘emotional’ could be recognized on a high level in the four Service Design criteria. The daring attitude of the brand Zalando was hard to find on the website and the registration. But both criteria need to represent the curated service in a serious way to convince customers. Therefore a daring attitude is not recommendable at these spots. The internationalization is the worst represented characteristic within this explorative study. That is comprehensible regarding the fact that the service just started in Germany. But if the plans for the internationalization of the service can be transcribed, there are even more possibilities for the service and its customers in future.

In conclusion, the outlined results show that the brand personality characteristics of Zalando are integrated mostly in a high degree at the Service Design of Zalon by Zalando (see figure 5). Therefore, hypothesis H3 can be confirmed as well.

**Conclusion**

In 2015, the online retailer Zalando launched a new service in the curated shopping niche. In a first step it could be analysed that the implementation of the new service corresponds to a Service Design process. Furthermore, it can be stated that Zalando used a brand transfer strategy from its core brand Zalando to the new brand Zalon by Zalando. At last, the brand personality characteristics, which were defined within this study, could be recognized in four criteria of the Service Design at Zalon by Zalando. Therefore the research question can be answered positively. With the help of a suitable Service Design process, Zalando extended its offering. But within the scope of that study, it became clear that the curated shopping service is only one aspect in an extensive strategy for the future. Zalando is planning a transformation ‘from a trade company that is technology driven to a technology company that enables and supports fashion trade’ (Weiss 2015). They divide that plan in three different components: curated shopping (‘connecting customers and stylists’), brand solutions (‘connecting customers and brands’) and advertising services (‘connecting customers and advertisers’).
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