

MASS CUSTOMIZATION IN SERBIAN FASHION - MOJKROJAC.COM

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Abstract: *Mass customization in Serbia is at the very beginning of its existence. However, there are companies that have recognized the benefits of mass customization and embarked on this type of business. Mass customization has been recognized worldwide as a new way to enter markets and strengthen the competition. This paper will describe a positive example of mass customization in Serbian fashion - MojKrojac.com, which is specialized in the production of high quality custom-made dress shirts, as well as its experience and future expectations.*

Key Words: *Customization, Fashion, Tailor-Made Shirts*

1. INTRODUCTION

Mass Customization means that a company's focus is on a client. Unlike mass production companies that focus on markets, i.e. on anonymous customers, for this type of company the focus is centered on a single client.

Mass Customization is a phrase first used by Stan Davis in his book *Future Perfect*, defined as an oxymoron of mass producing customized products. Christopher Hart wrote that Mass Customization consists of cutting-edge management methods and tools that give companies the ability to produce customized, affordable, high-quality goods and services, but with the shorter cycle times and lower costs historically associated with mass production and standardization¹.

The opinion that there are no more mass markets, and that instead each client is an individual market, has been increasingly prevailing. The development of technology, Internet, access to information and a massive number of products has enabled consumers to become choosier and to look for products that will perfectly meet their needs and tastes. The postulate that should be a guideline for the company focused on customers is that "every customer deserves to have exactly what he wants at a price he's willing to pay, and

companies must make that happen in a way that makes them money"².

Mass customization allows customers to participate in the design of products they intend to buy. In the fashion market, mass customization enables customers, when they decide on a product, to choose every aspect of that product, such as material, color, design, and other available options.

If we define mass customization as personalization or modification of products and services to meet customers' needs, in order to satisfy their different tastes at prices that are similar to the prices of mass production, then we can include the project MojKrojac.com³ into that category. Namely, the project MojKrojac.com involves fabrication of products, more specifically the Tailor-made Dress Shirts, using technologies such as computerization, internet, product modularization and customization of production.

When it comes to fashion in Serbia, MojKrojac.com is a pioneer in this area. There is no other fashion production offering this kind of services. This paper will describe the operation of the Serbian web portal - MojKrojac.com, the recognized advantages and disadvantages after one year of experience and the expected future opportunities and challenges.

2 MASS CUSTOMIZATION IN SERBIA - POSITIVE EXAMPLE - MOJKROJAC.COM

The Web portal MojKrojac.com is an internet store that sells Tailor-made Dress Shirts. In addition to this core activity, i.e. sale of tailored shirts, MojKrojac.com offers clients the possibility to design their own shirts online, choosing every single aspect of a shirt. Namely, a customer can choose the material for his/her shirt and combine several different materials in one shirt, it is possible to choose the type and strength of the collar, the type of cuffs, placket, shirt style, pocket shape, and more. In addition, one can design a shirt by choosing the color of the buttons, the buttonholes, and as a special option there is the possibility of embroidering initials, again in a variety of colors, font types, and places for embroidery.

¹ C. Hart, "Mass customization: conceptual underpinnings, opportunities and limits", *International Journal of Service Industry Management*, Vol. 6 Iss: 2, 1995, pp.36 – 45.

² J. Pine II, "Beyond Mass Customization", *Harvard Business Review*, May, 2011.

³ MojKrojac – in English MyTailor

What makes the web portal MojKrojac.com differ from many other web portals that offer the services of sewing individually-tailored shirts is an interactive platform that gives clients a rough illustration of how their shirts will look like. There is a separate platform for men, showing the look of men's shirts, and a separate platform for women. As a client decides on each of the offered options, the shirt on the interactive platform instantly changes. Thus clients do not have to imagine their future shirts, worrying whether they made a good choice, instead they can immediately see the shirts.

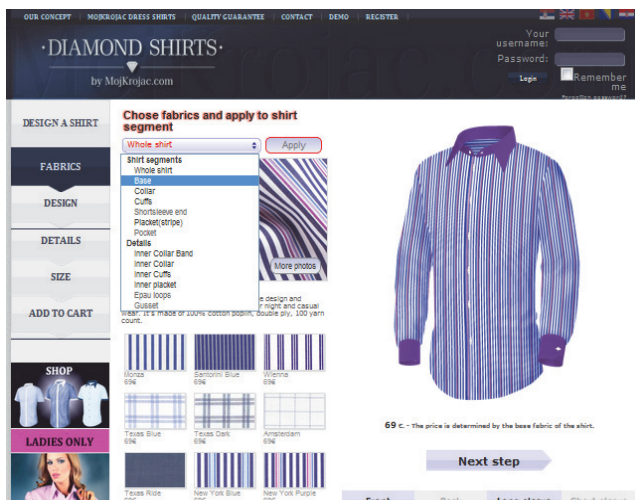


Fig 1. - The interactive platform of the web portal MojKrojac.com, Source: www.MojKrojac.com

The main idea of this web portal is to offer customers something more than just a shirt. Each customer can get not only a shirt that will fit perfectly, but also a possibility to design the shirt in accordance to own wishes and needs. With over 60 different fabrics, 9 types of collars, 7 types of cuffs, 3 types of placket, the buttons and buttonholes in 11 colors, the feature of monogram insertion, it is possible to create thousands of different shirts via the web portal MojKrojac.com, while customers do not even have to be very imaginative when designing their shirts in order to get a shirt that is unique and owned by no one else.

What is unique, in comparison to other similar portals all over the world, is that the price is formed solely on the material selected as the shirt base, that is to say it depends neither on selection of the offered options, nor on the shirt size. This method of pricing simplifies the handling and understanding of the site by a customer.

The production of shirts is done by a medium sized tailoring company (Moby) that is already producing dress shirts for women and man and has experience in making tailor made shirts. The production is set in Belgrade, Serbia. Relationship between MojKrojac and Moby company is set as a partnership, where Moby is obligingly sewing dress shirts for MojKrojac company. This way MojKrojac has experienced partner in production, and Moby has expanded its business.

MojKrojac.com site started operating in November 2011, and since then it has gained ever larger portion of the Serbian market with every passing month. When

MojKrojac.com site was launched, the idea was to maintain the whole business on-line, via the Internet. With detailed instructions on the website and descriptions of measure-taking given in both picture and text form, customers are able to design their shirts at home and order them over the site, without ever coming to a store.

2.1. Description of order process

When customers decide to order shirts, they must first register on the site, leaving their details, name and surname, address, phone number and so on. Thus it is possible to check the authenticity of orders by contacting customers.

When a client orders his/her first shirt, the opened account records a history of the client's orders, as well as his/her measures (whether for body or shirt, depending on the selected option) that can be modified at any time. That way, the client does not have to go again through the process of taking measures for each subsequent purchase, but simply design a new shirt. This significantly simplifies the procedure for each subsequent purchase of the same client. When clients realize this, they will decide much easier on buying the next shirt, which makes for loyal customers. There is an illustrated and textual description of every measure requested that guides a client in this process in an easy and simple way (Figure 2.).

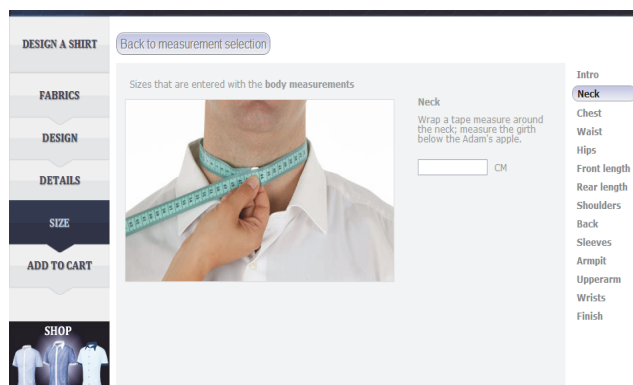


Fig 2. Guide for taking measures Source: www.MojKrojac.com

After order confirmation, the order is sent to the production via an e-mail in a pre-defined form, and they sew the shirt according to the given specification. For each client there is an individual pattern with his/her measures that is later used in subsequent orders from the same client. This reduces the time and cost of creating a pattern, which also represents an advantage of this kind of business.

After the production is completed, the finished shirt is taken by the delivery service to the client's address. Payments are made either on delivery or by payment to the account, with a pro-forma invoice previously submitted by e-mail, which completes the whole process of buying a tailored shirt over Internet.

2.2. Noted advantages and disadvantages

If this system could work in Serbia as it was designed, it would be the perfect way of doing business,

with minimum fixed expenses and majority share of variable expenses in total expenses. An online store requires neither the rental of a shop in the street, nor the staff that would work in two shifts to cover a workday. Current operating costs comprise the website maintenance costs, bookkeeping activities and an employee who can handle the entire operation via a home Internet access. With the production on an as-needed basis, variable costs include the cost of fabric and relevant raw material, as well as the production cost of a single shirt. It enables a lower price of the end product as compared to the price of a similar end product from mass production sold in the street shops.

However, the practice shows that there is a need for opening a show room and adding the burden of fixed cost required for the rental of business premises for the reception of clients. Namely, Serbia is a market with prevailing mistrust toward Internet stores. The key reasons which make customers reluctant to make their first shopping through the Internet store are a desire to physically see the shirt-making materials and a concern that they may fail to take the proper measurements although the instructions on the website are pretty detailed and accompanied with images. A mistrust regarding the delivery of the ordered shirt has been overcome due to the organized payment on delivery.

Making the first online order is mostly opted for by the clients outside Belgrade, who need this product but who are not able to visit the show room opened in Belgrade. However, majority of clients who visited the show room in Belgrade for their first shopping, make each subsequent shopping online, which makes the business idea of MojKrojac.com portal fully accomplished.

2.3. Outside the borders

One of the advantages of selling a customized product via the Internet is unlimited territory where the product is sold. In order for a product to be offered beyond the territory of the state, it is necessary to adjust the site linguistically and to enable online payments. Yet, there are some obstacles here as well, which are the delivery fee, i.e. export, which is considerably higher than the delivery fee in the country where production is organized. Import levies paid by a foreign client on a shirt takeover represent yet another restriction in developing the business beyond the state territory. For instance, a customer from Croatia pays some EUR 8 against the home delivery service and 40% on the shirt price against the tax and import duty. The third obstacle in expanding the sale to the territories beyond the home country is a lack of knowledge about the adequate media through which customers could be addressed, which may lead to a lot of failed investments in advertising.

Besides all the aforementioned advantages and disadvantages concerning the sale of customized shirts via the Internet, a conclusion may be derived that Serbia represents a developing market with rising potential for the development of such method of running business.

2.4. MojKrojac.com - future opportunities and challenges

The prospects for the development of business of MojKrojac.com web store are numerous, both in the territory of Serbia and in other parts of the world. The primary focus of development is reflected in conquering the Serbian market.

Judging by the sales statistics and a survey made with the existing customers, the achieved customer satisfaction with the product acquired is high. During the 10 months of operations, 45 out of 50 customers want to order another shirt in the future, 25 out of 50 customers have already ordered another shirt, and 10 out of 50 customers have ordered 2 or more shirts.

In expanding the business to a foreign market, the primary focus is to find the right model for conquering the ex-Yu markets, since other conditions required for the entry to these markets have already been fulfilled, such as the conversion of currency from dinar to euro and online payments. The reason for primary focus on an ex-Yu market is a lack of similar Internet store on that market, as well as of the custom tailoring service.

There are other options for expanding the business which do not involve only the expansion of business beyond Serbian borders, but rather an expansion of the product range to include tailor-made suits, polo shirts and other similar products that are determined to have potential.

5. CONCLUSION

Even though the Serbian market is small and undeveloped as regards business and online shopping, there is a growth potential in this area. Mass customization in fashion is not a well-known concept in Serbia, but it is interesting and attractive to many people after they have the concept explained.

A number of men and women do not have a physique that fits the designing standards for ready-made sizes, which creates the need for this type of product. Also, mass production of clothes creates a population that wants to make the statement and wear unique products which cannot be found in regular shops.

This is where this type of business with a delayed delivery of purchased product finds its way to attract customers despite the huge market of ready-made products that buyers can try at the site and immediately take out from the store after shopping. Also, the fact that an internet shop doesn't require existence of a boutique in the street allows price reduction on prices similar to mass production.

Although there are many obstacles to be overcome for successfully implementing on line mass customized business, mass customization is definitely being recognized by buyers as a new, innovative way of shopping. This also represents the main reason for opening the Internet store MojKrojac.com as well as an invitation to other manufacturers to take their chance in this market.

4. REFERENCES

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