



Demand Creation Excellence Award

mi-tu

Interactive Shopping System

mi - tu

Company Background and Vision

mi-tu is an Italian style fashion brand well-known for its chic, trendy and easy-to-wear style targeted to the 20-40 age groups, who are confident and financially independent female shoppers. Established in 1998, it has close to 30 stores located in Hong Kong and China, with two prominent shops equipped with advanced in-store systems that allow customers to have a new shopping experience.

Business Challenges and Context

In a highly competitive retail industry like Hong Kong where fashion-savvy consumers are constantly looking for the newest product and best customer service in the market, retail outlets had to think of various unique marketing concepts that will lure consumers to step into their stores and tryout their merchandise.

Business-wise, mi-tu was aiming to increase sales performance through cross-selling and up-selling by having in place a more efficient and enhanced customer service system. The upscale fashion label and retailer also wants to have a deeper understanding of target customers' buying behavior by analyzing the success of products sold at its stores.

To address these challenges, mi-tu introduced the Smart Dressing Mirror and Smart Fitting Room co-developed by Schmidt Electronics in cooperation with the Hong Kong Polytechnic University's Institute of Textiles and Clothing. The Smart Retail System (SRS) is equipped with EPC standard RFID (Radio Frequency Identification) antennas and interrogators.

The retailer's fitting rooms also feature LCD displays mounted on the wall, adjacent to the mirrors. The SRS is comprised of an electronic catalog (e-catalogue) application, RFID-enabled VIP customer cards, and a security system that alerts shopkeepers if a tagged garment is removed from the store.



The new system provides customer with a new and unique shopping experience. When a customer enters the fitting room and approaches the mirror holding a tagged item, the system captures and transmits the customers' unique ID number, via an Ethernet connection, to the store's back-end system. The SRS software correlates the tag's number with those of other garments, and images of the corresponding items are then displayed on the nearby LCD display. The customer can watch a series of images and text on the screen, which recommends different mix-and-match items for the garment in hand.

The system also collects data as to which items have been tried on and which have been sold, enabling mi-tu to analyze the success of the products sold in its stores. In addition, the RFID tags are designed to help deter shoplifting.

The Italian fashion retail company has convincingly met the criterion set by ECR Hong Kong to bag the Demand Creation Excellence Award, which among others include demonstrating clear strategy and capability to generate demand by optimizing new product promotional campaigns, and providing customer value-added services for a new shopping experience.

mi-tu has outfitted two of its Hong Kong shops with the RFID-enabled mirrors and electronic displays. The first store in Shatin was equipped in October 2006, and the second deployment in Admiralty followed in May of this year.

Results

The interactive shopping system has increased sales in the stores by 30%. Customers often enter the fitting room holding only one single item of clothing, but up to 80% of them end up requesting additional items to try on along with that garment, based on options provided by the Smart Dressing Mirror.

mi-tu seeks to enhance its brand image and improve customer loyalty by implementing a VIP system in the Admiralty shop where qualified customers will receive RFID-enabled VIP cards, encoded with customers' unique ID numbers. By analyzing the data, mi-tu can send discounted pricing information to customers for the items they have tried on.