Service Marketing: Analysis Of Pinkoi Experience

Introduction

This paper aims to analyze how the e-commerce platform Pinkoi set out to differentiate itself from competitors by developing a superior service experience and creating business culture, therefore enabling it to become the leading independent designer platform in Asia.

Two models will be adopted— service blueprinting and cultural web. The case will demonstrate first of all how Pinkoi developed its service to achieve a 500% growth of platform users (designers) in only two years, and will follow by the suggestions based on service blueprinting. Secondly, the case will examine how Pinkoi created a unique culture for both its employees and customers by the deployment of cultural web analysis. Eventually, the objective is to provide some feasible suggestions based on the analysis.

The service blueprint model used for analysis is improved by professor Hugh Wilson which takes “value-in-use” into consideration. Additionally, an interview with Pinkoi’s current designers provides a more precise insight into the platform’s user experience.

A Dark-horse From a Tiny Island

As constant winners of international design awards, Taiwanese designers had long been struggling in the local market. Pinkoi was thus been established, creating a platform to gather all the grassroots designing powers in the hope of carrying the phenomenal Taiwanese designs forward not only in local market but also to the world.

Founded by Peter Yen, Mike Lee and Maibelle Lin, Pinkoi is an e-commerce platform selling original designs from the independent designers in Asia. Based in Taipei, Taiwan, Pinkoi offers designers online shelf spaces without charging slotting fee. It assembles products to more than 93 countries around the world and has more than 2,500,000 members now. In 2015, Pinkoi received 9 million capital injection from Sequoia Capital (along with GMO Ventures). And so far, Pinkoi has already branched out its businesses around Asia, establishing it presences in Taiwan, Japan, Hong Kong, Thailand and China.

It is notable that both product buyers and product designers are seen as “customers” to e-commerce platforms like Pinkoi. But this paper will mainly discuss Pinkoi’s service from designers’ aspect.

Service Blueprinting Analysis

Service blueprint is a flexible and relatively simple approach to examine the production of the company’s service (Bitner et al, 2008), and can point out drawbacks by singling every customer actions out. Considering Pinkoi’s service-based nature, this paper will start with service blueprinting, hoping to better understand its customer journey.

Starting from product design, most of the physical evidences that customers encounter are either Pinkoi's website or its mobile application. It is worth mentioning that due to the nature of e-commerce platform, there are few moment of truth between designers and onstage employees. The designers basically take charge in every process by themselves and only seek help from Pinkoi when they have troubles with the system. In addition, the support processes, which is mainly the management system, seems to be the key for Pinkoi to deliver compelling services. In order to satisfy the customers, Pinkoi should make the self-operating process as easy as possible for them.

Service Development

Both its online and offline services has been optimized gradually from the entrepreneurial phase. We can gain a deeper understanding of its service development odyssey referring to service blueprint.

In general, Pinkoi focuses on cutting down customer efforts, which is believed to be more effective than pleasing the customers while driving brand loyalty (Dixon, Freeman and Toman, 2010). The company launched an intuitive system for its customers, omitting the unnecessary steps comparing to its competitors. For instance, the use of autofill spares them from the inconvenience of refilling forms. It sheds lights on the "listing and management" action, fulfilling customers' value-in-use for convenience.

The "custom-made" function is another service being praised, which can inform buyers the estimated production days thus reduce the frequency of complaints about how long they have been waiting. In service blueprint, this function helps designers to achieve the value-in-use of fully concentrating on making the crafts as well as maintaining quality and reputation at the stage of producing.

Furthermore, given its expanding market in Asia, Pinkoi started to build its AI team progressively from 2015. The aim is to offer every fledgling brands a chance to grow. As a result, Pinkoi launched its AI personalized recommendation engine for its customers, conferring benefits to both buyers and designers, and satisfied designers' value-in-use for generating profit. Nonetheless, the cooperation with the iBon system in payment further expands designers' businesses.

Considering the value-in-use for "demonstrating product information" stage, Pinkoi improves their service by removing unnecessary elements on the website, detaching banners or web crawlers to make the user interface clean and simple. This also allows buyers to focus more on the products. In addition, Pinkoi adopted responsive web design (RWD) to provide a trouble-free tool for online shop management since websites and applications are the most common-encountered physical evidences in the customer journey.

Pinkoi, furthermore, differentiates its service according to a deep understanding of different cultures. For instance, Japanese designers are mostly afraid of being asked and forced to answer questions in English. Pinkoi hence established a team to help them overcome the difficulty of language barrier. With these means, Pinkoi optimizes its service for its multinational customers.

Current Problems, Suggestions and Future Service Innovation

According to the interview, the current problem within Pinkoi's service mainly lies in the integration between its mobile app and the website management system. During the processes like managing products or sending messages, the designers have to keep switching between the two. For example, in order to check new orders, designers have to open extra webpages to use specific functions, since some of the functions are not available in the application. From this aspect, the counterintuitive service has resulted in unsatisfied value-in-use (e.g., convenience and efficiency).

As a result, integration and optimization of the management systems should be firstly taken into consideration. The following are some possible improvements that Pinkoi could consider based on the service blueprint and the interview:

- considering the "announcing special offer" action, add "additional purchase" function;
- add "preview" function when designers receives new messages, like what the instant messaging applications (e.g., Line, facebook messenger etc.) have done;
- improve the message system by making it possible for turning product review directly into a message, including some basic informations like thumbnails and titles;
- provide services to automatically remind the product buyers to pick up their package (instead of asking designers to do so).

These suggested functions are believed to make the management system more intuitive thus make using the platform more delightful.

Competing on Customer Journeys (Edelman and Singer, 2015) stressed that there are four interconnected capabilities that could make customer journeys "sticker"— automation, proactive personalization, contextual interaction and journey innovation. Pinkoi could provide useful information proactively after the application for opening an online shop is approved. With the help of big data analysis, information such as usual pricing range or potential target customers could be provided based on the category of designers' products.

Personalization is another key. Pinkoi could launch a fee-based service, offering designers customized monthly reports. The reports could include basic financial report, statistics (e.g., most commonly purchased age range and gender, areas having increasing sales etc.), and even some trends in Asia, so that designers could utilize these information to design new products or decide their strategies.

The last service innovation idea is the "Pinkoi calendar" application, which designers could not only use to organize their schedule, but also to record the quantities of the materials, the order date, the shipping date and so on. The application can remind the designers to reorder when the materials are running out, like what Amazon's recommendation engine and intelligent reordering algorithm does. Meanwhile, it can calculate how long the designer needs to produce a specific item. So when receiving a new order of that item, "Pinkoi Calendar" can reorganized the designers schedule and tell them when should they start producing or till what date should they achieve a particular stage of the whole progress. The application is expected to improve customer journey by offering convenience and efficiency, strengthening the connection between the designers and the platform.

Pinkoi’s Unique Business Culture

The following analysis will illustrates Pinkoi’s business culture, outlining its culture by bringing forward what they have achieved from different aspects. And will continue with recommendations.

Culture can be designed to enable a system that creates superior value for customers. (Humphrey, Ross, Macdonald and Wilson, 2018) And this is how Pinkoi stood out from its main competitors by designing a culture which is deeply rooted in its customers’ minds. On top of that, creating a culture seems more efficient since it empowers the company to make spontaneous, creative and flexible decisions by keeping people on the same benchmark. (Humphrey, Ross, Macdonald and Wilson, 2018) Thus, the cultural web analysis is adopted to bring a more comprehensive point of view of Pinkoi.

Paradigm

All the other five factors are basically surrounding the company’s “paradigm”. Pinkoi regards themselves as “people’s business” which provides customized and unique goods. They aim to empower designers and enrich people’s lives with good designs. Their first and ultimate goal is to bring Asia’s best designs to the world.

Story & myths

The stories and myths could explain how an organization understands and explains itself. Pinkoi’s entrepreneurial story is repeated in numerous interviews, and to some extent delivers the passion of Pinkoi in glorifying Asian designs. Keller and Richey (2006) stated that the passion embedded in employees’ minds is one of the keys leading a company to success. For Pinkoi, the unfolded passion of its employees won the trust from both domestic and international designers and eventually acquired them to become Pinkoi’s customers.

Symbols Factor (1984) stresses that good graphics communicate a message quickly. Pinkoi’s logo is a combination of a fish and a hearted eye. The image of the fish shows its ambition to constantly “swim” toward the goal and change the market; the hearted eye represents their wholehearted commitment in searching for and endorsing great designs. At the same time, the executives printed out slogans on the wall. Slogans like “Care personally, critic professionally” reflects Pinkoi’s paradigm and its ritual. The logo and slogans not only help Pinkoi build its corporate identity but also strengthen its employee-to-employee and employee-to-customer communication.

Rituals

The ritual, representing the accepted norms and practices in Pinkoi, mainly focuses on the concept “openness”. Many studies show the positive effects of new office design for working, socializing and learning (Haynes, 2007; Heerwagenet al., 2004) Pinkoi not only creates an open working space for the employees, but also uplifts openness in the communication and interaction among employees, including brainstorming, creating societies and so on. Above that, cross-disciplinary self-learning is encouraged. It is believed that the efficiency will rise once the employees have the ability to integrate the information and to communicate in different areas.

Becker(2001) points out that to prosper, organizations must increase flexibility and adaptability, while at the same time creating a workplace that enables staffs to work to their fullest potential. Pinkoi did create such a working environment, encouraging creativeness, openness and people-oriented value, leading this company to become the biggest E-Commerce platform selling designer products in Asia.

Control Systems

There are three main recruitment index of Pinkoi: data analysis ability, passion and humbleness. Also, the position “scouts” will be sent to different countries, assimilating into and understanding the local culture. With the help of the scouts, Pinkoi is able to grasp trends and needs in different markets. By appreciating cultural differences, Pinkoi finds the “right” products and designers for itself, which is its key success factor. And the control systems once again support its rituals and reflect the paradigm of its “people business” principle and their enthusiasm about discovering good designs.

What Can Pinkoi Do More About its Culture?

The analysis reflects the open and creativity-encouraging mindsets of how Pinkoi recruits their employees, how they do things and the goals they are pursuing. The vitality and creativity that this business model has provided is the indispensable motivity for Pinkoi to penetrate and thrive in the market. The characteristics that Pinkoi is trying to convey through perseverance make it possible for the company to keep refining its service, helping it to slash a path through its numerous competitors.

However, what else can Pinkoi do? Vilá & Bharadwaj (2017) clearly pointed out that there is an increasing expectation toward companies to go beyond functional benefits. Therefore, the use of social purpose is increasing, in order to guide marketing communications, inform product innovation and so on. The research from Gartenberg, Prat and Serafeim (2019) further came up with a conclusion that high clarity workplaces with corporate purpose exhibits superior future performance. As a result, Pinkoi should take a long view in its business and start pondering some suitable corporate purposes. Since women are its main target customers, devote itself to women’s empowerment or gender equality seems feasible.

Conclusion

In conclusion, as stated by the service blueprint analysis, Pinkoi should optimize its services by reducing customers’ effort while managing their online shops as well as by providing additional functions based on their experiences and opinions. Meanwhile, the meteoric technology and ever-changing market place also compel e-commerce platforms like Pinkoi to focus more on service innovation by getting an inside look into the current activities. The innovation services could refer to some principles such as automation and personalization, in order to create a “sticker” customer journey. Service blueprint, in general, has single out every customer action and has clarified important touchpoints in the customer journey. By doing so, a clearer path to achieve its ambition, bringing Asian designs to the world, has thus been pointed out.

Furthermore, according to the cultural web analysis, Pinkoi has created an outstanding culture, conveying its “philosophy” to both its customers and employees, which enhances customers’

brand identification thus strengthen their brand loyalty. However, customers are no longer the only concern nowadays. Instead, employees should be taken into consideration as well. Spreitzer and Porath (2012) have given a simple yet sonorous conclusion that “happy employees produce more than unhappy ones over the long term”. Pinkoi’s culture is also reflected in its working environment, creating an open and coherent workplace for its employees. The cultural web analysis in this case also illustrates that its outstanding culture is what leads the company to goal congruence from top management team to front-line employees, thus enable the company to deliver a better service. Last but not the least, Pinkoi should commit social responsibility in the future to comprehensively further improve the brand itself.