

## **Startup Description**

My startup is BeeCloth, a service powered by artificial intelligence. BeeCloth helps people find affordable alternatives to famous brands based on photos. For example, users upload a photo of a Prada bag or a Dior dress, and the service searches for equivalent items online at lower prices from different cloth brands. BeeCloth helps people find beautiful and fashionable clothes at lower prices and makes fashion more accessible to young people.

## **AI Integration**

BeeCloth uses AI to search for clothes based on photos. The system uses computer vision and learning algorithms to identify materials, colors, styles, and textures based on photos and find alternatives in other online stores. Over time, the AI will adapt to the user and better understand them by studying their tastes. It will begin to personalize results and recommend clothes that match the customer's style and budget. Language models will also be used to understand text queries such as "find a similar style bag but in red," or "a similar dress but more covered and with a floral print,".

## **Target Audience**

BeeCloth's target audience is young people aged 18 to 35 who want to follow trends without breaking the bank. These are primarily young women with social media followings who want to dress fashionably and stylishly but who do not have the luxury of spending thousands of dollars on luxury brands. BeeCloth will be useful for those who value sustainable consumption and creativity. BeeCloth is also useful for influencers and stylists looking for stylish yet affordable looks.

## **Customer Acquisition**

Because the service is aimed at a young audience, the startup's promotion will be primarily focused on social media.

- Such as Instagram, Pinterest, and TikTok. Viral videos and fashion mood boards will be created on Pinterest.

- Collaborations with fashion bloggers, models, and influencers are also possible, helping to promote and increase brand awareness.

- Personalized advertising on social media and in search queries. For example, a before-and-after look, and how much it all cost.

- Displaying branded clothing and similar alternatives at a lower price. Referral programs and promotions can be launched to attract new customers.

## **Competitive Advantage**

BeeCloth is fundamentally different from standard search queries in that, unlike Google, it selects similar alternatives based on style, fabric, color, and price. BeeCloth is also convenient because people can immediately click on a link, select a size, and buy the item they like. AI vision provides a fundamental advantage, making the search convenient and simple. Paying special attention to price and quality gives a special competitive advantage over other companies. Furthermore, artificial intelligence automatically learns and remembers customer preferences, so each subsequent request will be more accurate and better than the previous one.

## **Daily Operation**

Work will be divided into automated and human. Most of BeeCloth's work will be performed by artificial intelligence, including clothing search, image recognition, matching, personalization, as well as identifying key models and categorizing them. Online matching and database updates will occur automatically, without constant human intervention. The system will also track traffic and successful purchases. A chatbot will answer simple questions about the service.

The team's primary focus will be on marketing, social media integration, customer support, and partnerships with various online stores. This includes content creation on social media, collaboration with brands and bloggers, advertising development, and audience analysis. The finance team will work on reporting, tax payments, and budgeting. Developers will support the system and develop AI by improving algorithms, further learning models, and creating new categories. Databases will also be updated to remain relevant.

Operation flow:

1. The user uploads a photo.
2. AI analyzes the image and finds suitable products.
3. The user receives a selection and chooses.
4. When purchasing, BeeCloth receives a commission.
5. Marketing helps attract new users, and AI retains them through personalization.
6. The team of programmers also monitors the quality of algorithms and partnerships.

## **Business Expansion**

In the age of the internet and AI, BeeCloth can develop in several directions.

First, expand internationally. Integrate with foreign brands that are not widely represented in the US market. Support for other languages and currencies is also an option.

Second, a "Virtual Wardrobe" feature could be introduced in BeeCloth, allowing users to save favorite looks and combine them using AI. For example, choose a skirt and have the AI select a blouse based on your taste and current trends.

A premium subscription option will unlock new VIP features of the service.

For example, access to exclusive discounts and promotions will be available only to subscribers. Exclusive fashion tips from fashion bloggers and designers.

We can also expand through partnerships with various brands or by creating your own accessible brand.

## **Business Model and Revenue Source**

BeeCloth follows the B2C (Business to Customer) model and will earn money through several revenue models. The first model is affiliate marketing, where the service will receive a small percentage of the purchase as a commission when customers order clothing through an affiliate link. For example, a 5% commission on purchases.

The second source of income will be a premium subscription to the service. The service will be free, but a paid subscription will unlock many new features, such as discounts from partners, faster search, fashion tips, and ad-free search.

A third source could be advertising. For example, when searching Clothing from brands that have purchased advertising will appear at the top of the search list with the "sponsored" label. It will also be possible to sell access to technology to other e-commerce businesses.

### **Information Systems**

After launching a startup, we will need systems such as:

#### **Short-Term (at launch):**

- Teamwork tools, such as Microsoft Teams. Any business requires constant coordination between employees from completely different departments. BeeCloth will use Microsoft Teams for task setting, resource allocation, deadlines, and reporting.
- CRM (customer relationship management) will also be used to manage customer relationships, for example, by storing user data, sending offers, and segmenting users for further marketing. CRM will help build long-term relationships with customers and retain new customers.
- Google Analytics will track activity and monitor the effectiveness of targeted advertising and track website visits.
- TPS (Transaction Processing System) will be used. Although BeeCloth does not sell directly, it redirects users to partner stores where they make purchases through affiliate links. The system will record the number of clicks, the commission on the

purchase, and the purchase itself. Later, as the company grows and its turnover and headcount increase, we can introduce information systems such as:

**Long-Term (when scaling):**

- A BI system to analyze sales, customer behavior, trends, and popular brands. This will optimize and improve the company's operations.
- An ERP system to integrate all company processes into one convenient platform. With it, the company will be able to calculate income, expenses, reports, payments, salaries, and more quickly and efficiently automatically.
- Beecloth's KMS is a constantly learning technology, so KMS will store training datasets for AI, development and algorithm documents, and the team's knowledge.
- An Extranet for safe, secure, and convenient data exchange with partner stores. For example, transferring product information, receiving new collections, and exchanging data such as prices, availability, discounts.

**Social and ethical aspects.**

BeeCloth makes fashion more accessible to people, but legal factors must be considered:

First, users' photos and personal data must be protected by encryption, preventing them from being shared with third parties, and with clear and understandable digital consent.

Second, the algorithm must be unbiased. It must avoid bias during research, across all criteria. There must also be transparency, and edited search results must be marked as "sponsored."

Third, respect for copyright must be ensured. Fake brands, companies that copy unique designs, and the like must be excluded from search results. Partnerships must also be with sustainable brands. On the positive side, BeeCloth helps people buy good clothes without overpaying.

Thus, the project will benefit users and have a positive impact on the fashion industry.

# Appendix

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Hi, I was asked to write a report regarding my IS startup assignment. I've written the first parts, but I'd like your ideas for these sections: How can the business expand. Choose and discuss the Business and Revenue model(s). Identify the information systems needed (short-term and long-term), and Describe the social and ethical implications. My startup is BeeCloth, an AI service that helps customers find more friendly alternatives to expensive brands based on photos.

That's a really creative startup idea — BeeCloth sounds like something people would *actually* use! 🐝👗 Below are detailed ideas and examples you can use for each section of your report. You can adapt the tone depending on whether your report should sound more formal or entrepreneurial.

1. How the Business Can Expand

Short-term expansion (1–2 years):

- **Market reach:** Start by targeting online fashion shoppers through partnerships with e-commerce platforms like ASOS, Amazon Fashion, or Zalando. Integrate BeeCloth as a browser extension or mobile app plugin.
- **Brand collaborations:** Collaborate with mid-tier brands or thrift platforms (e.g., Depop, Poshmark) to highlight affordable and sustainable alternatives.

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app plugin.

- **Brand collaborations:** Collaborate with mid-tier brands or thrift platforms (e.g., Depop, Poshmark) to highlight affordable and sustainable alternatives.
- **Social media integration:** Add an "AI Style Finder" tool on Instagram or TikTok, where users can upload outfit pictures and instantly find similar affordable options.
- **Localization:** Support multiple regions and currencies (e.g., U.S., Europe, and Asia) and tailor search results to regional shopping preferences.

Long-term expansion (3–5 years):

- **B2B services:** Offer BeeCloth's AI search engine to online retailers, letting them integrate it directly into their sites.
- **Sustainability focus:** Partner with eco-friendly fashion brands to promote conscious shopping.
- **Virtual fitting feature:** Integrate augmented reality (AR) so users can "try on" recommended clothes virtually.
- **Data-driven personalization:** Use customer browsing data to create curated "style feeds" and personalized recommendations.

2. Business and Revenue Model(s)

Business model:

BeeCloth primarily follows a **B2C (Business-to-Consumer)** model, offering its service directly to users through an app or website. It can also expand into a **B2B (Business-to-Business)** model by licensing its technology.

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## 2. Business and Revenue Model(s)

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### Revenue models:

#### 1. Affiliate Marketing (main model):

BeeCloth earns a commission when users purchase clothing through affiliate links to partnered retailers.

*Example:* A user clicks on a \$45 Zara sweater recommended by BeeCloth → Zara pays BeeCloth a 5% commission.

#### 2. Premium Subscription (optional tier):

Offer a freemium model — free basic use, but paid features such as advanced filters, AI stylist consultations, or ad-free browsing.

#### 3. Advertising:

Non-intrusive ads from sustainable or affordable brands could appear in search results (marked as "sponsored").

#### 4. API Licensing for Retailers:

Sell API access to e-commerce platforms that want to use BeeCloth's AI matching system within their own apps or websites.

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## 3. Information Systems Needed

### Short-term (1–2 years):

#### • AI Image Recognition System:

The core technology that analyzes uploaded images and identifies clothing type, color, pattern, and brand style.

#### • Database Management System (DBMS):

To store product data, pricing, and metadata from different retailers.

#### • Customer Relationship Management (CRM):

To manage user data, engagement metrics, and marketing communications.

#### • E-commerce Integration System (APIs):

APIs connecting BeeCloth with affiliate networks and online shops.

#### • Analytics Dashboard:

For tracking user activity, clicks, and sales conversions.

### Long-term (3–5 years):

#### • Big Data & Recommendation Engine:

Machine learning models for personalized fashion recommendations based on user history and preferences.

#### • Cloud Infrastructure (Scalable):

To handle large volumes of image processing and global traffic.

#### • AR/VR System:

Integration for virtual fitting or outfit visualization.

#### • Data Security System:

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To ensure safe handling of user photos and personal data, complying with GDPR/CCPA standards.

#### 4. Social and Ethical Implications

##### Positive implications:

- **Promotes affordability and accessibility:**  
Helps people dress fashionably without overpaying for brands, supporting inclusivity.
- **Encourages sustainability:**  
Redirects consumer attention toward affordable and eco-friendly options, reducing overconsumption of luxury goods.
- **Supports small businesses:**  
By including smaller or ethical brands, BeeCloth gives them exposure and competitiveness in the market.

##### Ethical and social challenges:

- **Data privacy:**  
Users upload personal photos, so strong encryption and clear consent policies are necessary.
- **Algorithmic bias:**  
The AI must avoid biases in clothing recognition (e.g., by skin tone, body type, or gender expression).
- **Transparency:**  
Sponsored results should be clearly marked to maintain user trust.
- **Environmental impact:**  
Partnering only with brands that meet certain sustainability criteria can ensure BeeCloth doesn't promote "fast fashion."

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market.

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Would you like me to help you **rephrase this into formal report language** (with transitions, topic sentences, and formatting for a PDF submission)? I can turn these points into polished text ready to paste directly into your document.

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