

Marketing plan for blue sky clothing

[Business](#), [Marketing](#)



SAMPLE MARKETING PLAN The following pages contain an annotated sample marketing plan for Blue Sky Clothing. At some point in your career, you will likely be involved in writing—or at least contributing to—a marketing plan. And you'll certainly read many marketing plans throughout your business career. Keep in mind that the plan for Blue Sky is a single example; no one format is used by all companies. Also, the Blue Sky plan has been somewhat condensed to make it easier to annotate and illustrate the most vital features.

The important point to remember is that the marketing plan is a document designed to present concise, cohesive information about a company's marketing objectives to managers, lending institutions, and others who are involved in creating and carrying out the firm's overall business strategy.

Five-Year Marketing Plan Blue Sky Clothing, Inc. **TABLE OF CONTENTS**

EXECUTIVE SUMMARY This five-year marketing plan for Blue Sky Clothing has been created by its two founders to secure additional funding for growth and to inform employees of the company's current status and direction.

Although Blue Sky was launched only three years ago, the firm has experienced greater-than-anticipated demand for its products, and research as shown that the target market of sport-minded consumers and sports retailers would like to buy more casual clothing than Blue Sky currently offers. They are also interested in extending their product line as well as adding new product lines. In addition, Blue Sky plans to explore opportunities for online sales.

The marketing environment has been very receptive to the firm's high-quality goods—casual clothing in trendy colors with logos and slogans that reflect the interests of outdoor enthusiasts around the country. Over the next five year, Blue Sky can increase its distribution, offer new products, and win new customers.

COMPANY DESCRIPTION Blue Sky Clothing was founded three years ago by entrepreneurs Lucy Neuman and Nick Russell, Neuman has an undergraduate degree in marketing and worked for several years in the retail clothing industry. Russell operated an adventure business called Go West! which arranges group trips to locations in Wyoming, Montana, and Idaho, before selling the enterprise to a partner. Neuman and Russell, who have been friends since college, decided to develop and market a line of clothing with a unique—yet universal—appeal to outdoor enthusiasts. Blue Sky Clothing reflects Neuman's and Russell's passion for the outdoors. The company's original cotton T-shirts, baseball caps, and fleece jackets and vests bear logos of different sports—such as kayaking, mountain climbing, bicycling, skating, surfing, and horseback riding. But every item shows off the company's slogan: “ Go Play Outside. Blue Sky sells clothing for both men and women, in the hottest colors with the coolest names—such as sunrise pink, sunset red, twilight purple, desert rose, cactus green, ocean blue, mountaintop white, and river rock gray. Blue Sky attire is currently carried by small retail stores that specialize in outdoor clothing and gear. Most of these stores are concentrated in northern New England, California, the Northwest, and a few states in the South. The high quality, trendy colors, and unique message of the clothing have gained Blue Sky a following among consumers between the ages of 25 and 45.

Sales have tripled in the last year alone, and Blue Sky is currently working to expand its manufacturing capabilities. Blue Sky is also committed to giving back to the community by contributing to local conservation programs.

Ultimately, the company would like to develop and fund its own environmental programs. This plan will outline how Blue Sky intends to introduce new products, expand its distribution, enter new markets, and give back to the community. **BLUE SKY'S MISSION AND GOALS** Blue Sky's mission is to be the leading producer and marketer of personalized, casual clothing for consumers who love the outdoors.

Blue Sky wants to inspire people to get outdoors more often and enjoy family and friends while doing so. In addition, Blue Sky strives to design programs for preserving the natural environment. During the next five years, Blue Sky seeks to achieve the following financial and nonfinancial goals:

- Financial Goals 1. Obtain financing to expand manufacturing capabilities, increase distribution, and introduce two new product lines. 2. Increase revenues by at least 50 percent each year. 3. Donate at least \$25,000 a year to conservation organizations.
- Nonfinancial goals . Introduce two new product lines—customized logo clothing and lightweight luggage. 5. Enter new geographic markets, including southwestern and Mid-Atlantic States. 6. Develop a successful Internet site, while maintaining strong relationships with retailers. 7. Develop its own conservation program aimed at helping communities raise money to purchase open space.

CORE COMPETENCIES Blue Sky seeks to use its core competencies to achieve a sustainable competitive advantage, in which competitors cannot provide the same value to consumers that Blue Sky does.

Already, Blue Sky has developed core competencies in (1) offering a high-quality, branded product whose image is recognizable among consumers; (2) creating a sense of community among consumers who purchase the products; and (3) developing a reputation among retailers as a reliable manufacturer, delivering the requested number of products on schedule. The firm intends to build on these competencies through marketing efforts that increase the number of products offered as well as distribution outlets.

By forming strong relationships with consumers, retailers, and suppliers of fabric and other goods and services, Blue Sky believes it can create a sustainable competitive advantage over its rivals. No other clothing company can say to its customers with as much conviction “ Go Play Outside”!

SITUATION ANALYSIS The marketing environment for Blue Sky represents overwhelming opportunities. It also contains some challenges that the firm believes it can meet successfully. Table A illustrates a SWOT analysis of the company conducted by marketers to highlight Blue Sky’s strengths, weaknesses, opportunities, and threats.

The SWOT analysis presents a thumbnail sketch of the company’s position in the marketplace. In just three years, Blue Sky has built some impressive strengths while looking forward to new opportunities. Its dedicated founders, the growing number of brand-loyal customers, and sound financial management place the company in a good position to grow. However, as Blue Sky considers expansion of its product line and entrance into new markets, the firm will have to guard against marketing myopia (the failure to recognize the scope of its business) and quality slippages.

As the company finalizes plans for new products and expanded Internet sales, its management will also have to guard against competitors who attempt to [pic] duplicate to products. However, building strong relationships with consumers, retailers, and suppliers should help thwart competitors.

COMPETITORS IN THE OUTDOOR CLOTHING MARKET The outdoor retail sales industry sells about \$5 billion worth of goods annually, ranging from clothing to equipment. The outdoor apparel market has many entries. L. L. Bean, REI, Timberland, Bass Pro Shops, Cabello's, and Patagonia are among the most recognizable companies that offer these products.

Smaller competitors such as Title IX, which offers athletic clothing for women, and Ragged Mountain, which sells fleece clothing for skiers and hikers, also grab some of the market. The outlook for the industry in general—and Blue Sky in particular—is positive for several reasons. First, consumers are participating in and investing in recreational activities that are near their homes. Second, consumers are looking for ways to enjoy their leisure time with friends and family without overspending. Third, consumers are gaining more confidence in the economy and are willing and able to spend more.

While all of the companies listed earlier can be considered competitors, none offers the kind of trendy, yet practical products provided by Blue Sky—and none carries the customized logos and slogans that Blue Sky plans to offer in the near future. In addition, most of these competitors sell performance apparel in high-tech manufactured fabrics. With the exception of the fleece

vests and jackets, Blue Sky's clothing is made of strictly the highest quality cotton, so it may be worn both on the hiking trail and around town.

Finally, Blue Sky products are offered at moderate prices, making them affordable in multiple quantities. For instance, a Blue Sky T-shirt sells for \$15.99, compared with a competing high-performance T-shirt that sells for \$29.99. Consumers can easily replace a set of shirts from one season to the next, picking up the newest colors, without having to think about the purchase. A survey conducted by Blue Sky revealed that 67 percent of responding consumers prefer to replace their casual and active wear more often than other clothing, so they are attracted by the moderate pricing of Blue Sky products.

In addition, as the trend toward health-conscious activities and concerns about the natural environment continue, consumers increasingly relate to the Blue Sky philosophy as well as the firm's contributions to socially responsible programs. **THE TARGET MARKET** The target market for Blue Sky products is active consumers between the ages of 25 and 45—people who like to hike, rock climb, bicycle, surf, figure skate, in-line skate, ride horses, snowboard or ski, kayak, and other such activities. In short, they like to “Go Play Outside. They might not be experts at the sports they engage in, but they enjoy themselves outdoors. These active consumers represent a demographic group of well-educated and successful individuals; they are single or married and raising families. Household incomes generally range between \$60,000 and \$120,000 annually. Despite their comfortable incomes, these consumers are price conscious and consistently seek value in

their purchases. Regardless of their age (whether they fall at the upper or lower end of the target range), they lead active lifestyles. They are somewhat status oriented but not overly so.

They like to be associated with high-quality products but are not willing to pay a premium price for a certain brand. Current Blue Sky customers tend to live in northern New England, the South, California, and the Northwest. However, one future goal is to target consumers in the Mid-Atlantic states and Southwest as well. THE MARKETING MIX The following discussion outlines some of the details of the proposed marketing mix for Blue Sky products. PRODUCT STRATEGY. Blue Sky currently offers a line of high-quality outdoor apparel items including cotton T-shirts, baseball caps, and fleece vests and jackets.

All bear the company log and slogan, “ Go Play Outside. ” The firm has researched the most popular colors for its items and given them names that consumers enjoy—sunset red, sunrise pink, cactus green, desert rise, and river rock gray, among others. Over the next five years, Blue Sky plans to expand the product line to include customized clothing items. Customers may select a logo that represents their sport—say rock climbing. Then they can add a slogan to match the logo, such as “ Get over It. ” A baseball cap with a bicyclist might bear the slogan, “ Take a Spin. At the beginning, there would be ten new logos and five new slogans; more would be added later. Eventually, some slogans and logos would be retired, and new ones introduced. This strategy will keep the concept fresh and prevent it from becoming diluted with too many variations. The second way in which Blue

Sky plans to expand its product line is to offer items of lightweight luggage—two sizes of duffel bags, two sizes of tote bags, and a daypack. These items would also come in trendy and basic colors, with a choice of logos and slogans.

In addition, every product would bear the Blue Sky logo. **DISTRIBUTION STRATEGY.** Currently, Blue Sky is marketed through regional and local specialty shops scattered along the California coast, into the Northwest, across the South, and in northern New England. So far, Blue Sky has not been distributed through national sporting goods and apparel chains.

Climate and season tend to dictate the sales at specialty shops, which sell more T-shirts and baseball caps during warm weather and more fleece vests and jackets during colder months.

Blue Sky obtains much of its information about overall industry trends in different geographic areas and at different types of retail outlets from its trade organization, Outdoor Industry Association. Over the next three years, Blue Sky seeks to expand distribution to retail specialty shops throughout the nation, focusing next on the Southwest and Mid-Atlantic regions. The firm has not yet determined whether it would be beneficial to sell through a major national chain such as REI or Bass Pro Shops, as these outlets could be considered competitors.

In addition, Blue Sky plans to expand online sales by offering the customized product line via Internet only, thus distinguishing between Internet offerings and specialty shop offerings. Eventually we may be able to place internet kiosks at some of the more profitable store outlets so consumers could order

customized products from the stores. Regardless of its expansion plans, Blue Sky fully intends to monitor and maintain strong relationships with distribution channel members. PROMOTIONAL STRATEGY.

Blue Sky communicates with consumers and retailers about its products in a variety of ways. Information about Blue Sky—the company as well as its products—is available via the Internet, direct mailings, and in person. The firms' promotional efforts also seek to differentiate its products from those of its competitors. The company relies on personal contact with retailers to establish the products in their stores. This contact, whether in-person or by phone, helps convey the Blue Sky message, demonstrate the products' unique qualities, and build relationships.

Blue Sky sales representatives visit each store two or three times a year and offer in-store training on the features of the products for new retailers or for those who want a refresher. As distribution expands, Blue Sky will adjust to meet greater demand by increasing sales staff to make sure its stores are visited more frequently. Sales promotions and public relations currently make up the bulk of Blue Sky's promotional strategy. Blue Sky staff works with retailers to offer short-term sales promotions tied to event and contests.

In addition, Nick Russell is currently working with several trip outfitters to offer Blue Sky items on a promotional basis. Because Blue Sky also engages in cause marketing through its contribution to environmental programs, good public relations have followed. Nontraditional marketing methods that require little cash and a lot of creativity also lend themselves perfectly to Blue Sky. Because Blue Sky is a small, flexible organization, the firm can

easily implement ideas such as distributing free water, skiers, and discount coupons at outdoor sporting events.

During the next year, the company plans to engage in the following marketing efforts:

- Create a Blue Sky Tour, in which several employees take turns driving around the country to campgrounds to distribute promotional items such as Blue Sky stickers and discount coupons
- Attend canoe and kayak races, bicycling events, and rock climbing competitions with our Blue Sky truck to distribute free water, stickers, and discount coupons for Blue Sky shirts or hats.
- Organize Blue Sky hikes departing from participating retailers. Hold a Blue Sky design contest, selecting a winning slogan and logo to be added to the customized line.

PRICING STRATEGY. As discussed earlier in this plan, Blue Sky products are priced with the competition in mind. The firm is not concerned with setting high prices to signal luxury or prestige, nor is it attempting to achieve the goals of offsetting low prices by selling high quantities of products. Instead value pricing is practiced so that customers feel comfortable purchasing new clothing to replace the old, even if it is just because they like the new colors.

The pricing strategy also makes Blue Sky products good gifts—for birthdays, graduations, or “just because.” The customized clothing will sell for \$2 to \$4 more than the regular Blue Sky logo clothing. The luggage will be priced competitively, offering a good value against its competition.

BUDGET, SCHEDULE, AND MONITORING Though its history is short, Blue Sky has enjoyed a steady increase in sales since its introduction three years ago.

Figure A shows these three years, plus projected sales for the next three years, including the introduction of the two new product lines.

Additional financial data are included in the overall business plan for the company. [pic] The timeline for expansion of outlets and introduction of the two new product lines is shown in Figure B. The implementation of each of these tasks will be monitored closely and evaluated for its performance. [pic] Blue Sky anticipates continuing operations into the foreseeable future, with no plans to exit this market. Instead, as discussed throughout this plan, the firm plans to increase its presence in the market.

At present, there are no plans to merge with another company or to make a public stock offering. ----- The executive summary outlines the who, what, where, when, how, and why of the marketing plan. Blue Sky is only three years old and is successful enough that it now needs a formal marketing plan to obtain additional financing from a bank or private investors for expansion and the launch of new products. The company description summarizes the history of Blue Sky—how it was founded and by whom, what its products are, and why they are unique.

It begins to “sell” the reader on the growth possibilities for Blue Sky. It is important to state a firm’s mission and goals, including financial and nonfinancial goals. Blue Sky’s goals include growth and profits for the company as well as the ability to contribute to society through conservation programs. This section reminds employees as well as those outside the company (such as potential lenders) exactly what Blue Sky does so well and how it plans to achieve a sustainable competitive advantage over rivals.

Note that here and throughout the plan, Blue Sky focuses on relationships. The situation analysis provides an outline of the marketing environment. A SWOT analysis helps marketers and others identify clearly a firm's strengths, weaknesses, opportunities, and threats. Again relationships are a focus. Blue Sky has also conducted research on the outdoor clothing market, competitors, and consumers to determine how best to attract and keep customers. Table A SWOT Analysis for Blue Sky Clothing, Inc.

Blue Sky has identified its customers as active people between the ages of 25 and 45. However, that doesn't mean someone who is 62 and prefers to read about the outdoors isn't a potential customer as well. By pinpointing where existing customers live, Blue Sky can make plans for growth into new outlets. The strongest part of the marketing mix for Blue Sky involves sales promotions, public relations, and nontraditional marketing strategies such as attending outdoor events and organizing activities like day hikes and bike rides.

An actual plan will include more specific financial details, which will be folded in to the overall business plan. For more information, see the "Financial Analysis in Marketing" appendix on page A-1 of this book. In addition, Blue Sky states that at this stage, it does not have plans to exit the market by merging with another firm or making a public stock offering. Figure A Annual Sales for Blue Sky Clothing: 2 Figure B Timeline for First Three Years of Marketing Plan