

Marketing plan project: from bags to riches danette faulkner dr. neil southern ma...

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



From Bags to Riches Company was founded in September 2007 in north Mississippi with the goal of creating and marketing hundreds of authentic, exclusive designer bags and jewelry. From Bags to Riches gives access to borrow hundreds of purses and jewelry as often as you like. a) Internal Environment Mission Statement: If you desire an authentic designer handbag, you will love From Bags to Riches.

Imagine always having the perfect bag and necklace to match. From Bags to Riches is an internet business that makes high fashion highly affordable by borrowing designer handbags and jewelry to consumers at portion of the retail price.

A key element of the internal environment is the power of fashion inspires excitement, confidence, and that “ feel good” vibe every woman gets from wearing something new. We know that when a woman looks her best she feels her best. Our mission is to extend this feeling to every woman on a regular basis by offering high fashion at a highly affordable price. b) External Environment From Bags to Riches faces new seasonal trends in ever-changing fashion industry. We are constantly adding new designers and items to our collection so new items appear on a daily basis. We entered during a period of prosperity.

A high level of demand for our merchandise is due to celebrity fashion and affordability. The fashion industry operates in a persistent stat of progression, reinvention, and renovation. New styles go out as quickly as they come in. We are regularly clearing out our closets to make room for the hottest new collections from all over the country. Since we rent designer

bags through the e-commerce business, we are closely related to technological advances. We use the internet to issue low monthly memberships and no late fees. Our demographic environment would be directed towards millions of women from 16 to 60 year olds.

It also includes women who shop on the internet. c) SWOT Analysis Strengths of From Bags to Riches are that they offer the most sought after designer brands at low rental prices. We are able to adapt to technological change and new fashion trends. We have global relationships with all major designers. Our main weaknesses are our financial support, knowledge in the local market and the ability to expand in our current location. The main opportunities identified are technological advancement in product ordering, diversification of products and future expansion to other markets.

Our threats include current economic climate and the volume of indirect competition from other designer bags and jewelry companies. II. Marketing Objectives Marketing objectives that are attainable and realistic goals would have to be defined as increasing customer satisfaction by making every individual woman feel fashionable. We would like to use to Product Line strategy to satisfy the main desires and needs of our consumers. Our customers must maintain trust in our company. We take authenticity of our bags very seriously. We want to increase our sales by 75 percent within the next year.

We can stimulate adoption by distributing free rental after the first membership purchase. The rental of designer bags and jewelry business is small but growing and I would like to minimize our competition. III. Marketing

Strategies a) Target Markets Our target is in women's fashion market. Demographics include females aging from 16 to 60. Some men maybe included because men would often join to rent nice products for their wives, daughters, and mothers. The average incomes would range from 20, 000 to 100, 000 per year. Psychographics would be women who spend a lot of time shopping with their family and friends.

They enjoy looking nice and are tight spenders. The promotion would be directed at the end consumer or buyer as we attempt to increase customer demand. The media habit used would mainly be the internet and shopping advertisements. Women would frequently read magazines such as Harper's Bazaar and Lucky. Women of all ages will be able to afford expensive jewelry and purses in order to wear to weddings, banquets, proms, or to other dances. b) Positioning the Product From Rags to Riches positions its products as the number one company of designer handbags and jewelry for rent. We never carry fake, faux, or replica bags or jewelry.

Our company emphasizes choice and flexibility. We strive to always be responsive to the consumer's unique needs. Bags can be borrowed for any length of time for a week, month, or more. Our Core Product will be access to name brand purses and high-end jewelry. The Actual Product will be the rental of the purses and jewelry. The Augmented Product will be that we offer a monthly subscription fee, designer recommendation service, and unlimited supply of our products. We will communicate the marketing strategy through intermediaries such as designer agents retail stores and distributors.

We will have access to customers by using our vendors. For example, someone that buys Gucci purses straight from the manufacturer will be able to save more money by renting a purse for our company instead of paying \$400.00 dollars on the spot for a certain purse. They will be able to exchange purses for new styles.

c) Product Strategies In order to be able to meet our sales goals we must be able to give our customers what they want the most by offering different major brands. We will offer Couture bags with are runway worthy handbags and jewelry from the top designers such as Gucci and Rosiblu which cost the most within a month.

The is Diva bags which are luxurious, dream bags and jewelry from Louis Vuitton and Charriol starting at ninety dollars a month. Then we offer the Princess, which is a little less costly, and it includes accessories from Burberry and Coach. Last, we offer the Trendsetter fresh, trend-forward small accessories from designers such as Dooney & Burke and Cole Haan.

d) Pricing Strategies The combination of high expense and low shelf life makes designer apparel affordable to only a few. Our products will remain the same regardless of the amount of produced; therefore, it will be a fixed cost.

We will need to estimate the demand by finding out how much of our product does our customer want and how will this change if prices go up or down? When our economy is down the consumers are more interested in lower prices. Our customers will not have to pay the high price for high quality; instead, they will be able to pay a low monthly fee for high quality. The concept of borrowing levels the playing field and allows everyone the opportunity to carry the latest styles and without the cost. The current

pricing should work for fashion bags and jewelry. The price must reflect the overall company objectives.

A number of factors need to be considered before prices are allocated to each of the products. For instant access to the newest styles of high-end handbags and jewelry, prices will range from \$25. 95 a month for three months or \$67. 95 for one year. Customers will receive the best value by purchasing the year membership by saving over 55%. e) Promotion Strategies Advertising is the most familiar and visible part of the promotion mix. Product advertising will focus on what our company has to offer. For example: high-end jewelry and purses at half the retail price.

Personal selling, public relations, and direct mailing are all good strategies for From Bags to Riches, although they might not be the most effective. We can use sales promotions such as coupons, rebates, and premiums. By offering premiums will help us give something extra to our existing customers. The media must also reflect our objectives. Our position can change over time and provide a number of advantages for our product. By using the unique selling proposition, we can get our direct reason out about our product and show our consumer why it has better quality and how our product qualifies consumers' needs.

Because From Bags to Riches' budget is limited, we will keep the message simple, emphasizing how flexible and convenient our product is. By using advertising, we will be able to control what the message will say, when it will appear, and who is will see it. From Bags to Riches will use guerrilla marketing so that we will be able to catch them as a surprise. We can place

small messages or coupons for our online store on the back of receipt for retail stores. If we were able to use public relations, it would be low in cost and give us high credibility.

With the limited budget, ads in direct mail brochures will be small. Television advertising: From Bags to Riches will purchase a small amount of cable advertising. This type of advertising will be flexible and high impact. It will air on local cable shopping networks directed towards women. Television is a useful means for telling a story or for demonstration purposes. Viewers are often relaxed, which can be a negative because our message needs to be easily understood. It's not like direct mail, newspaper, and magazine advertisements where you can look back over the information in order to clarify the message.

The negative attributes of using television advertising is that it can be high in costs and quickly forgotten. Magazine advertising: From Bags to Riches will advertise in all fashion magazines with some success but this will be an expensive option. By using magazine advertising, we will have a specific target audience and have great image quality. This will show all of the new products for each season. We will also offer discount's through the magazine subscribers. Lower television advertisements in exchange for magazine advertising can be very beneficial. This will enable us to keep the same budget, while increasing exposure.

We will have to use several magazines to reach our target audience. Direct mail advertising: From Bags to Riches will use this to save on cost depending on location, how much we send, and postage cost. Direct mail advertising

will first emphasize From Bags to Riches' two key benefits. It will offer a lot of detail towards a certain customer so that it's personal which is most important to effectively reaching the core target market. By using direct mail advertising, we will be able to receive feedback. Direct mail has a dependable history of generating high-quality leads for entrepreneur business. f) Distribution Strategies

Chances are that we have more competitors than we even thought. Primarily From Bags to Riches products will be direct sales through the internet. Our customers will be experiential shoppers because we offer fast shopping and they will be entertained by the hunt. Sales promotion will be a positive incentive to retailers to support our product. It will be the most effective distribution channel because we will be able to sell directly to the end-user. We will be able to distribute our item by using the internet. We can place our URL address with advertisements on clothing, magazine, and shopping websites.

We will also identify key promises made by our company. IV. Implementation Strategies The tasks required to implement and monitor each strategy are listed in this section for From Bags to Riches. a) Action Plan From Bags to riches will use the push strategy and have retailers offer our renting process and they can attract their customers to select our product. My company is in its introduction phase so our objective is to create awareness of and push customers to try our product. We will meet with department managers to promote our plan and mission statement. We must set up appropriate times to meet with jewelry and purse designers.

Third, we must meet with managers to discuss new trends in clothing and accessories; and how to improve customer feedback. Lastly, we will schedule and promote course for organization. b) Budgets Television advertisement can run between \$400.00 to \$3500.00 depending on airtime and service station. Magazine advertisement can cost at the most \$10,000.00, which would be the most expensive based on which magazines we choose to go with. Mail orders would be relatively cheaper running between \$300.00 to \$600.00 depending on location. We will be able to generate enough money in order to use the best promotions.

If these don't work out or are too costly, we will have to change our direction and switch to something less costly. c) Timing/ Schedules We plan to exceed growth patterns with in 12 months to little over the coming year. We will typically focus on the performance of our shipment to our customers renting our jewelry and purses. We will typically focus on the mechanics of the media, mailing and promotions. Using the cost per thousand method will help to measure our cost effectiveness of our ads and compare promotions at separate publicity rates and will give us a specific cost to deliver our message to over 1,000 people.

From bags to riches will continue to envision where the company is going and where we need the company to be within the next three to five years. We are ultimately reaching for the best customer satisfaction as well generating higher sales. Our company will add three new employees every six to nine months. Office space will expand accordingly. We will have two team leaders to every manager so that manager will have the help they

need. Future results for the coming year will be Gross sales: \$154, 000 Net profit: \$12, 400 V. Monitoring and Control Strategies

In order to better serve our customers From Bags to Riches will monitor and control our product. Using the AIDA model will encourage our customers with action, desire, interest, and attention. With database marketing, we can build relationships and learn our customers' preferences. It can also attract new customers. We need feedback and opinions from our valued customers so that we are capable of serving them to the highest quality of needs. We can evaluate our strategy by measuring the consumer's response to sales promotions.

We will also be able to evaluate and compare sales performances by area and sales force. a) Research Using market research will help the company understand what exactly the competitors are doing that we aren't. We can also use online research techniques that can test our customers' reactions to product ideas, which is faster than other research. We will be able to know what special products, service or pricing offers do the customers get from my competition. By using copy testing method, we can find out if our promotional ads are working for our consumers.

This will tell us whether our consumers are receiving and responding to our ads. I will be able to find out needed information to better my sales and my company. I need to ask questions such as how are other companies' products or services similar to my product and services. The key to winning the target market is to differentiate my company by providing products, services, or solutions that my customers will find more desirable than what's

offered by my competitors. b) Trend Analysis From Bags to Riches will do a seasonal trend analysis to understand the new and upcoming styles for our customers.

This will give us an insight to what exactly our customers want and enjoy. Our store image would be luxury and elegance. Our personnel should match the store's image. At this point, we will be in our growth stage and we will need new and improved advertising to make us stick out from our competition. c) Marketing Audit A Marketing audit will be done annually. This will be helpful for our company and our customers. This can help fix problems we have internally and problems that are outside of the company's authority. We can reinforce our mission statement and maybe enable us to offer new products.