

# Essay on customer value

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



The customers for our firm may be any individuals who may require custom made garments since the standard size may not fit them. This will be known as the Business-to-Consumer transaction. It involves direct interaction between the business entity and their customers. In this situation, the customers will place the order from any country. Timely delivery and accuracy of their order should be checked by the management.

Another form of customers will be the wholesalers and retailers. They are interested in making bulk orders and are willing to have an extra lead time. This will be their Business-to-Business transactions. The wholesalers and retailers have a large customer base in the market. They take orders on behalf of their customers. Then, these orders are forwarded to the boutique business. It is their responsibility that they have to fulfill the instructions and complete the orders (Bruce, Margaret, Moore, Birtwistle).

Customers have different but important needs when it comes to apparel decisions. Many of the needs are being under served or not being met at all. Our boutique aims to cater all such customer needs. We shall provide a large variety of options to compliment the customer's body physique and shape. Besides this, we shall also be paying close attention to the customer's personal preferences and their likes or dislikes will be given great priority (Hiebing, Roman, Cooper).

## **Developing the Pitch**

When the customers are buying clothes, they often go through the troubles of finding an outfit that is according to their measurements. They have a few limited options in the form of standard products which are provided by the retailers. From the manufacturer's perspective, the production processes are

always designed in such a way that it may help in achieving economies of scale. When a standardized product is being produced in bulk, it is more convenient for the manufacturer in terms of costs, labor and mechanizations. Even though the customers sizes vary from person to person but the manufacturers do not consider this customization. To overcome this problem, our boutique is bridging the gap between customer expectations and product satisfactions (Hart, Cathy, Doherty, Chadwick).

There is an increasing awareness in the popularity of customized clothes and do-it-yourself option. Many customers are now interested in designing their own clothes. Due to technological advancements, the distribution process has been made easier. Retailers and wholesalers have made their presence over the internet. It is very feasible for the customers to send their orders through the website. The major chunk of target customers will be those who have a difficulty to find clothes that may fit them accurately.

## **Sales and Marketing Goals**

Our boutique will offer reasonably priced, customized clothing options for its customers (Hiebing, Roman, Cooper). Some of our goals and objectives are listed below:

- We shall aim to receive at least a 50% profit within 12 to 18 months.
- Our team will work solely to provide good quality to its customers. We want that 50% of our first-time customers should return for another purchase within 6 months.
- We should be able to achieve a profit of \$100, 000 by the second year and \$1, 000, 000 by the fifth year.
- We want to facilitate customers who want to style themselves according to

their own unique personality and physique.

- Customers should be satisfied with the quality of products. They should be provided with after-sales services too. In case of delayed or inaccurate orders, the management of our boutique is responsible to handle customer complaints.

- Our intention is to maintain at least a 70% market share. We are aspiring to become one of the most desired hubs of retail shopping.

- We will try to sustain a profit margin of 10-15% by keenly observing the expenditures and costs of goods sold.

## **Sales Strategy**

We will adhere to the strategy of providing high quality, made-to-measure clothing for our consumers. We are offering a service which many consumers are willing to acquire. We will be able to create an atmosphere where it is quite appealing and lucrative to the fashion conscious customers.

Our basic sales strategy will be a great and memorable buying experience every time a customer gets something from boutique. When a prospective customer enters into the boutique, they shall be greeted and welcomed whole heartedly. Then, they will be asked to get seated comfortably on the chairs. Salespersons will assist them towards the clothing options which are available for them to get it customized.

Our sales goal will be to make loyal customers who shall help us in generating repetitive business. It may also help in building a positive brand image in the minds of current and prospective customers. A strong word-of-mouth advertising will be formed due to a satisfied customer target market. In the clothing industry, positive word-of-mouth spreads very fast. Family

members, colleagues, friends and relatives share their positive and negative reviews about their experiences (Bruce, Margaret, Moore, Birtwistle).

## **Sales Forecast**

Our expected growth rate is of 3% annually. Our sales are expected to increase during Christmas holidays and in summer season. According to a research, it has been observed that customers are more likely to spend lavishly during the Christmas holidays and summers. Special sales promotions and advertising campaigns should be designed for this purpose. Maximum customers will be attracted towards buying from us in this peak season (Hiebing, Roman, Cooper).

## **Brand Strategy**

Our boutique shall be known as a brand which is considered to be up-to-date, innovative, stylish, fashionable and classy. The name of the boutique will be “Stylish Cuts” and it will be operating in Los Angeles, USA. This will be a place where people will go for their own fashion sense and desire to dress. Stylists and image consultants will help them decide what will look good on them. They will guide them to order the right clothes for themselves. Our team will work together to educate customers about their suitable styles and latest fashion. People should perceive our boutique brand as the ideal brand which caters to their needs and provides the best quality in competitive prices than others (Hart, Cathy, Doherty, Chadwick).

## **Milestones**

Milestones refer to the desired procedure of how the business operations will be conducted. The purpose behind this is to keep reminding ourselves that

what needs to be done according to the plan. This shows a brief overview of the upcoming tasks and the days assigned to completion of each task (Hiebing, Roman, Cooper). The tasks which are to be set as the milestones are listed below:

### **November, 2014**

- Complete the business plan on time
- Design and confirm the logo

### **December, 2014**

- Apply for bank loan
- Apply for business license and building permit
- Hire an experienced builder
- Confirm shop design with architect
- Plan out advertising campaigns
- Decide what promotional tactics to use
- How to engage current customers in positive word-of-mouth advertising?

### **February, 2015**

- Hire staff like stylists, consultants and salespersons
- Plan the opening event for boutique

### **March, 2015**

- Send invites for opening event
- Arrange the event
- Invite relevant media for public relations

## **Advertising and Promotion**

For this purpose, we will rely on personal one-to-one interactions with our target market. Salespersons shall get in touch with the prospective customers. They shall be informed about the uniqueness of a self-designed outfit. They will know about the possible outcomes of getting a tailor-made clothing item which has been specially designed to fit their needs. They should also be aware of the possibilities that could occur if what they're wearing does not suit their physique and personality (Hiebing, Roman, Cooper).

### **Besides this, various other methods of promotion shall also be used. They might include:**

- Sponsored events related to fashion and style. This will be done to build up local and national public relationships.
- A unique display will be changed every weekend.
- Loyalty cards will be issued to customers who will buy more than 5 times from our boutique. After that, they will be given 15% discounts on their purchases.
- Current customers will be encouraged to spread a positive word-of-mouth and share their experiences with their friends and families.
- Direct mails or catalogues can be sent through postal addresses or e-mails. They will be targeted directly towards their target market.
- Sales promotions may be done by offering discounts on original prices. New customers may like to try out a self-designed outfit in a reduced price package.
- An online website can be made to keep in pace with the current

technological advancements. People can make online orders by mentioning their instructions clearly. Size, color and style specifications should be explained.

- Free demonstrations can be displayed in colleges and universities.

## **Assessing Effectiveness**

It is important for any business entity to completely assess the pros and cons before starting up a new venture. Similarly, in the case of our boutique it is important to conduct a SWOT analysis.

A SWOT analysis is conducted to have an insight about the possible strengths and weaknesses which the business entity may have in its internal environment. It also discusses the expected opportunities and threats that the business may face due to its external environment. It may include many factors such as socio-economic, political, legal and other environmental factors (Bruce, Margaret, Moore, Birtwistle).

## **A brief SWOT analysis has been done below with the perspective of our boutique:**

### Strengths

Our clothes are known as chic and stylish because of the unique designs. Variations in style, color and design makes it impossible for a repeated outfit. Each item is unique in its own aspect. The inspirations behind these clothing items may vary from person to person. We are offering a facility of an in-house stylist who will help the customers to decide what suits them, which color boosts up their mood and which style of cut makes them look slimmer.



## **Weaknesses**

According to some customer's perceptions, our boutique is considered to be highly priced and has limited brand recognition. This is due to the reason that when a standardized clothing item is being produced in a bulk quantity, it is less costly so it does not cost much. In our boutique, each customer is treated like a special one. When an order for customized clothing item is received, there are special preparations done to fulfill the instructions.

## **Opportunities**

With the passage of time, there is a chance for our boutique to flourish rapidly. For this purpose of boutique extension, we should move on to expand our business operations online. A website should be developed to gain a large number of customers from other cities and countries. This may result in more profitability by expanding services into other countries as well. As our team has young blooded group of stylists and designers, it will facilitate in designing clothes for their customers according to the fashion adaptations (Hiebing, Roman, Cooper).

## **Threats**

Some of the major threats to our business would be that our present customers may switch to some other competitive boutique. To overcome this problem, we need to keep an eye on our competitors' operations to know whether they are offering lower prices or giving a better quality product than us. Secondly, the overall global economic crisis is affecting many countries economy. Many countries may not welcome our boutique's expansion in

their countries. Besides this, the competitors who already have a great international presence are more likely to be successful.

## **Go to the Market Strategy**

The market entry mode is important for the success of the whole business plan. A successful entry mode enables the company to reach out the target market in a perfect way (Hart, Cathy, Doherty, Chadwick). The selected entry modes for the boutique are discussed below:

### **Retail Store**

A state of the art retail outlet will be opened for the boutique which will enable customers to come and interact with the helping staff. The customers will have direct approach to the design personnel where they will be able to suggest their own designs. The design personnel will guide them through the trending fashions, colors, textures and the dressing accessories. Then after the design, the customers will be able to select the fabric, embroidery and other add-ons. After that a tailor will take the measurements and they will be notified about the price and the delivery date. This whole procedure will involve interaction of customer with the staff at each step, making this store more interactive than the traditional ones. The interior in of the boutique will have discreet outlook. However, in pursuit of creating a discreet outlook the traditional concepts will not be ignored. It will be accommodating and warm as well. The space will be managed appropriately. The dressing rooms will be decorated with wood doors so that the privacy of the customers is not compromised. The more focus will be on classy interiors decorated with

wood to give a classy and stylish look. The stores will have separate sitting areas for coming along friends to sit and wait (Hiebing, Roman, Cooper).

## **Electronic Marketing**

The company will also exploit the advantage of the dot com revolution. The customer today is very busy and turns towards their computers to search, gather information and purchase their daily living products. Customers want facilitation while sitting in their own homes, offices and while traveling. This is huge opportunity for the businesses as it opens them to more and more potential customers beyond the geographical boundaries. The customers are becoming more and more prone to the internet revolution and it is becoming their instinct to turn to computers for the informational purposes. If the information flow from a business is proper, it leads to the sales. However, there are still some problems associated with the electronic marketing.

## **Web Plan**

The website will also serve the informational purpose for the visitors. It will be also taking orders for the returning and new customers. The privacy of the customers at the website will be managed through secure user logins. The boutique plans to launch the website with the official launch of the business. There are short term and long term plans for the electronic business as well. The plans for the first year of operation include the search engine optimization, online advertisements and maintaining online customer databases. In the long run stylish cuts aspire to develop editorial content for the website along with introducing customization facility on the website using interactive java and flash tools (Simová, Jozefína).

The basic principle followed in creating the website will be that customers are facilitated, and are provided with all information they need. The website will give information about the basic services of the business, a contact page and an interactive store front. The editorial content will be guiding thorough the fashion industry trends, newest arrivals, their utility and innovative dressing ideas about different occasions. The additional services provided by the website will be the reservation forms, shopping appointments, workshops, request for closet assessment and expert opinion on dress code. The website will also depict the brand personality and identity of the Stylish Cuts. In this way, it will also help in positioning of the brand. The names of the products and product lines will depict the style, about and concept of the boutique. The purpose of online website is to provide all the information that is necessary to articulate online and offline sales at the store (Hart, Cathy, Doherty, Chadwick).

## **E-Marketing Strategy**

The boutique is operating in Los Angeles. LA is famous for the film companies and has an influence of Hollywood as well. The e-strategy of Stylish Cuts will be mainly focused on the celebrity endorsement. The boutique will fully utilize the opportunity of being circled by the film companies and stars. However, Stylish Cuts will also not ignore the email marketing strategy. The company will stick to the perspective of customer privacy. The customer data will be secured by all possible means, and it will be ensured that the customer may not get bombarded with extra emails. It will be made possible that each customer at data base gets no more than 2 emails monthly. Excessive emails will be considered as spamming and will

reduce the effectiveness of the marketing program (Hiebing, Roman, Cooper).

The email marketing strategy and word of mouth have shown outstanding results in case of retail businesses. Therefore, these strategies will not be ignored by the Stylish Cuts and will be incorporated into the marketing plan from very start of the business operations. It is evident from different researches that mostly customers turn to the websites for the purpose of information. The strategy of the Stylish Cuts is to provide as much information to the potential customers that it holds their interest as well as generating sales. The website will be advertised by traditional media as well as online advertising at different blogs and websites. The other efforts for this purpose will include emails, receipts, in-store advertisement, magazine advertisements and word-of-mouth. According to researches it is evident that television commercials, advertisements of print and other media trigger the need of information about the product. The customer then turns to the internet for more and more information. It creates an interest and quest to know about the product. If the information flow is proper and customer queries are satisfied then the chances of purchase increase. Most of the times, customers love to hear the comments of other users about the product. The reviews of other consumers act as social guarantees and they are most important in strengthening the decision of purchase. The reviews coming from the other customers are considered as unbiased, and are trusted by the customers. Therefore, the value of word-of-mouth can never be undermined. Moreover, websites act as a source of testimonial. The other customers can share their positive feedbacks on the website which leads to

the purchase decision of many other visiting customers (Bruce, Margaret, Moore, Birtwistle).

## **Development Requirements**

The web development will lead to additional costs, and finance will be needed to cover these costs. The company will need dedicated designers and web developers. All these services will be outsourced to external service providers. However, extra cost will be incurred on this outsourcing. A summary of incurring costs on web development are given below:

### **One Time Cost**

- Website Design - \$3, 000.
- Site Implementation - \$ 2, 000

### **Long Term Costs**

- Web Hosting - \$ 50 per month
- Domain Registration - \$150 (Five Years)
- Registration at Search Engines - 250 per year

There will be other costs associated in changing the design of the website. These changes will include the photos, dress designs and new product arrivals. All these expenses will be part of marketing and promotional costs (Simová, Jozefína).

## **Customers of the Boutique**

The profile of the customers of the Stylish Cuts is discussed below:

### **Customer Profile**

The primary customers of the Stylish Cuts are working men and women with

a net household income of more than hundred thousand dollars yearly (Too, Leanne, Souchon, Thirkell). The main distinguishing features of these customers are discussed below:

- Professional men and women of age 30-55
- Level of educated in minimum college pass-outs
- Yearly Income of more than \$10000
- Hails from upper-middle class and elite class
- Lives in Los Angeles
- Have a knowledge of computers and internet
- Acknowledges the Art
- Listens to NPR
- Watches trending and fashionable channels like HBO, BBC and Bravo etc.
- Has an insight into fashion industry
- Follows fashion icons and magazines.
- Spends a lot of money on fashion products and focuses on quality as the core product benefit
- Spends time in personal grooming and purchases fashion items
- Has an urge to look good and presentable at workplace. Therefore, spend a lot on

## **Shopping Behavior**

The shopping behavior of the target customer is given below:

- Shops at boutiques and fashion stores like Banana Republic etc.
- Touchy about the dress fittings and sizes
- Spends more than 25 percent of their yearly income on personal care and clothing etc.

- Buy western tops, shirts and formal dresses
- Value both classic and trendy items in their clothing

## **Customer Conversion**

The customer conversion in new businesses is low. The conversion calls for the number of visitors to a store or website actually turning into customers by making purchases. The conversion rate for online websites is even low due to trust issues involved in the online business. The Stylish Cut aspires to achieve a conversion rate of 10 percent by relying on advertisement and promotion efforts. This conversion rate will be achieved in first year of operation. It will go on increasing and will reach at 30 percent by the end of fifth year of operations. The information flow between the customers and the company increases the customer conversion rate. Therefore, the company will try to disseminate all the possible information for converting potential customers into returning customers (Simová, Jozefína).

## **Operational Hours**

The store will remain open on all the working days for 12 hours. The operational time during week days will be 11A. M to 11 P. M. However at weekends and local holidays the closing time will be 2 in the morning. The weekends and holidays are possibilities of increased customer influx as the office going people are free in these times (Bruce, Margaret, Moore, Birtwistle).

## **Projected Market Share**

According to Local Marketing Profile there are currently more than 1000 boutiques working in the region and only 200 are offering customized



clothing. The boutiques offering customized clothing contribute \$1. 2M to sales. It is assumed that these sales will grow by 5 percent annually. The projected sales along with the market share are given below

\*Calculations Based on Suppositions

## **Customer Relationship Management**

The staff working at the store is a direct contact between the company and the customer. The behavior of the staff to the customer will affect the customer conversion as well as the repeat purchase behavior of the customer. Therefore, dedicated training efforts will be carried out for the staff working at the store. Moreover, a telecommunication team will be performing the job of taking orders from the customers. This team will also serve the purpose of CRM, customer facilitation, queries and complaints. A separate CRM department will also be in place dealing with the customer complaints and returns of the products. There will be a clear cut policy regarding product returns so that dissatisfied customers can return the products to ensure their trust in the boutique (Hart, Cathy, Doherty, Chadwick).

## **Conclusion**

A written marketing plan is a must for boutique. It gives direction to the marketing efforts at every instance and helps to achieve the set goals. The marketing plan creates a value for the efforts put. This brief marketing document for the boutique “ Stylish Cuts” can be concluded as the customers for our firm may be any individuals who may require custom made garments since the standard size may not fit them. Customers have

different but important needs when it comes to apparel decisions. Many of the needs are being under served or not being met at all. After considering the customer needs the marketing and sales goals are defined. The goals are very important before putting any effort into the marketing of a brand. The sales strategy is discussed and it has been ensured that quality does not get affected by the decision of increasing sales on yearly basis. The customers are defined along with the customer conversion rate and business hours. The need of Customer Relationship Management and it's important for the business has also been discussed. All these things are vital in performing marketing activities of the firm.

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