



FLO FITTED
FASHION



Introduction

The aim of this assignment is to devise a marketing plan for a new business. My plan will be about a new business, a new era hat store called 'Flo Fitted Fashion'. I will make decisions about marketing, which will hopefully help my business to be successful. This business will include the 4 P's (product, price, promotion and place). I will be selling a variety of hats, Sox, New York, Boston, L.A, A town and many more. The next things I will do for my business is introduce sales and promotions. For my media advertising I will be using newspapers, radio and or magazines.

Business idea

My business is a fitted hat store. It is going to be huge I am going to sell the latest new era hats for the right price I am going to have many logos e.g. New York, Atlanta, A town, Sox, Compton, Boston and many others. I decided to pick this business because I find it very interesting and I know many different things to do with era hats. I hope my business will become a success and I would learn something from this experience. I wanted to do something different because it gives me more of a challenge.

My target customers are mostly teenage boys because they wear fitted hats more than girls and old people. The ages for the hats are 13 -25, but people who are rich or poor are most welcome to come to the store.

This business is going to be a very wealthy business I think I will make a lot of profit and I even have a lot of money from the start. This business is quite new because I have made it into a big store but other businesses are shops. So in my opinion it is new. We have to watch out for our customers and see if they top any service that we provide.

As part of our service is we will give a discount therefore if someone buys three or more era hats we will give a certain percentage off. We will also give a voucher worth £40 on era hats. Whatever happens we will top our competitors and still try to make profit.

Business Ownership

My business is a private limited company (PLC).

I am a sole trader in my business this is because:

Advantages

- I like working for myself.
- It is my responsibility for me to chose what hours are flexible for me to work.
- I get to choose whether the people who interview are right for the job.
- I get to choose how the store looks.
- It is simple for my business to get a loan from the bank.
- I can leave whomever in charge if I am not present.
- Limited liability

Disadvantages

- It is a big responsibility.
- You have to fire people, which is a hard thing to do.
- Sole traders are very hard to set up than a partnership.
- It takes a lot of time to set it up.

Business objectives

My objectives are:

- To make lots of profit.
- Sell as many new era hats as possible and make more people come to the store.
- I want advertising so people know about our business.
- I want all customers to be happy and don't want any complaints.

My objective in the coursework is to get a good grade and to do the best I can. I also want to learn something and remember this if I become a successful businessman.

My objective for the future is to build a bigger store and import more and expensive hats from other countries. I want more advertising so it can be on TV, radio, newspapers, billboards and posters. I want my business to be everywhere because then people know what a good business we are running and more people will come and buy our product, even people from foreign countries. The main thing is that I want it to be a franchise.

Location

My business is going to be located somewhere which has a lot of space. I want to locate it in a busy and a place where people go mostly. It is a huge store so it is too big to be in a shopping centre. The place where it is going to be located is staples corner just opposite Brent cross

The significant advantages are there will be a big car park jus outside the store. They can still park their cars if they are not going to the store. The price of the car park is very low. The car park will be open for disabled people too so they wouldn't get left out. It will be open for mostly the whole day 7.00am till 10.00pm the same time as the store closes. The population will be very successful as the store is placed in a very popular location. Next to the store is a restaurant, a bus station for people who travelled far if they don't have cars. The community is very helpful and not a very rough or dodgy so it is kind of a safe place to be. The characteristics are it is a good transport link not the best but it will do. The disadvantages are it is a busy place and people rush too much and are very tired in the evening when they come from work.

MAP OF SITE



Sources of finance

I can obtain finance from the bank, my own money, and a grant. I only obtain finance when I need to and that is when I'm coming close to becoming bankrupt, when my business isn't performing well as it should be and when all my items are selling rapidly. The reason why I need money is to make my business more successful and sell more items so more people come and visit.

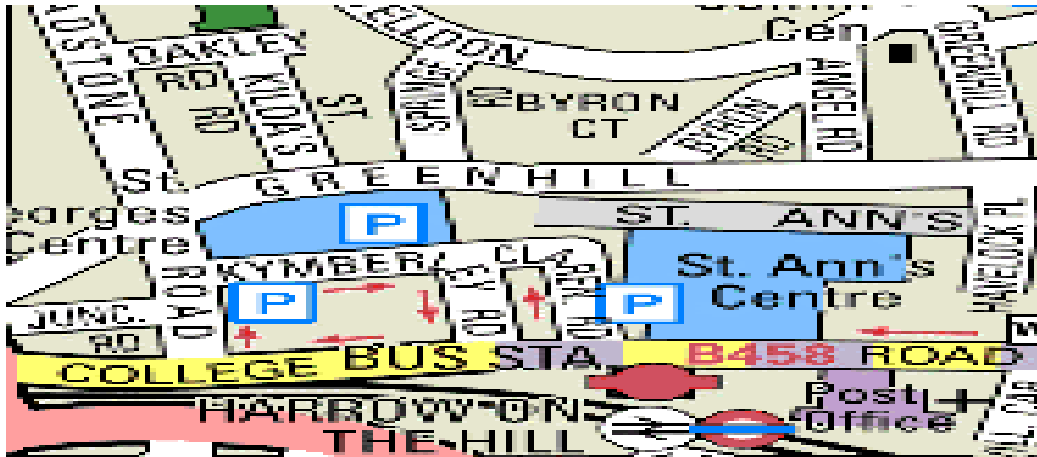
My business hasn't been set up yet; therefore I cannot obtain money internally. Internal indicates money coming from inside a business. On the other hand I can obtain money externally by requesting the bank manager to allow my business to withdraw more money from my account than is actually in it. My business could also ask for a loan. The advantage for requesting money from the bank is if you have a successful business and if the bank knows if it has a good reputation in the future this is an easy way to obtain funds when you really need it. Nevertheless the disadvantage is the bank would expect you to pay them back fast and they would increase the interest rates to a ridiculous amount.

My other external option is obtaining money from my own. I know how much money I have left and I know what I am going to spend it on. That's a good advantage of obtaining money from my own because I can save as much money as I want and I can keep track on what I'm spending and how much I need. However the problem is I despise spending money on my business when I can spend it on other things. The best option is a grant to get money externally because you don't need to persuade anyone or even take it out of your own wallet you are awarded for it. This is only if you participate in a something major for you to earn a grant.

Competition

My competitors are JD sports, secrets, New York City and some others outside of London.

JD sports, New York City and secrets are in the same place in Harrow, St. Ann's shopping centre.



My unique selling point (USP) is that if customers choose something particular, which is not in the store, they can draw us a design of a certain era hat and we will customize it just in less than 30 days. We will also give them a discount if they buy a certain amount of era hats. The final thing is that if customers live a far distance to the store was more than happy to deliver it to them but it depends where you live.

Market research

Market research means that you produce a product before it sells in retailers. You get all the information you need to produce the product and then sell it. You need a lot of information for the product e.g. how it is going to be developed, how much the product is going to be, who are your target customers and loads of other gathered information.

You need to carry out market research because that will help you develop your product into something fantastic. If you don't market research your product will be a bust and will not sell how you thought it would.

There are two types of market research one is primary research. This means when companies need the research, which is particular. For example interviews, questionnaires, surveys and field tests. Secondary research is research from a different study e.g. your getting information from someone else.

The methods of market research I will use is primary research because that way I can get a lot of information and I can get the truth from people by asking them face to face. I can do all of the things in primary research, which will attract the customers to my product. While if I choose secondary research I might not get the right information and the product will come out not the way I wanted it.

The type of sampling I will use is I will let them try the product and if we don't have the right size we will make it and they can come again. So then if they are satisfied they could buy the product.

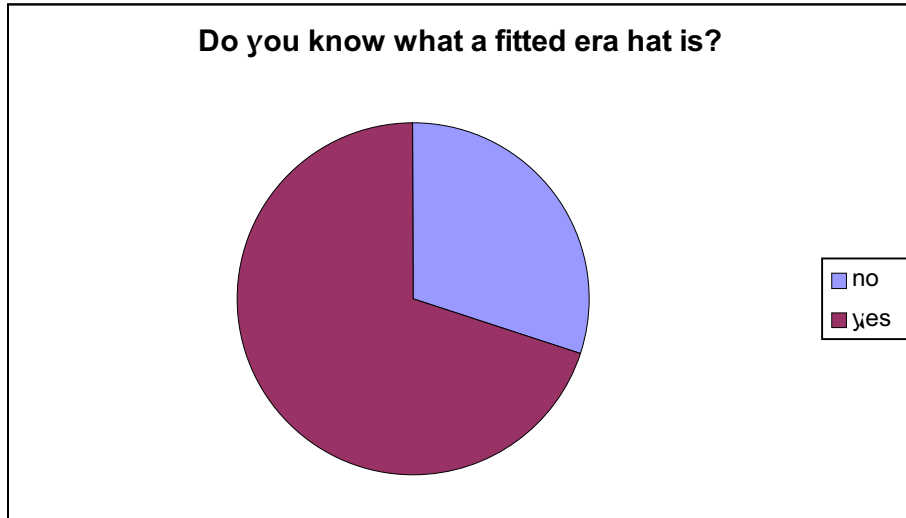
The customers I will target are the people who will buy my era hats, which are mostly teenage boys. I will ask them questionnaires and surveys that will give me an insight of people.

Questionnaire

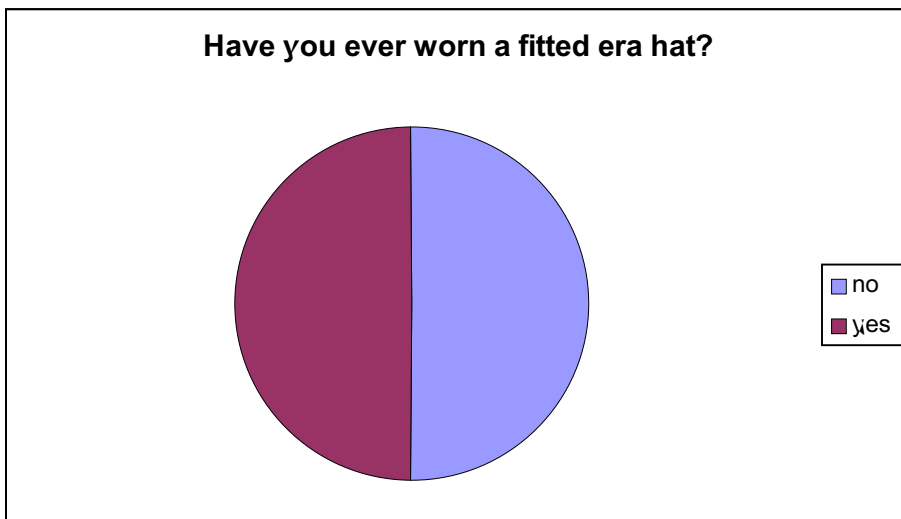
1. Do you know what a fitted era hat is?
2. Have you ever worn a fitted era hat before?
3. Do you own a fitted era hat? If you do which one?
4. Have you ever been in a fitted era hat store?
5. What is your best fitted era hat logo?
6. Do you know anyone who owns a fitted era hat e.g. family or a friend?
7. How much would you spend on an era hat?

Graphs

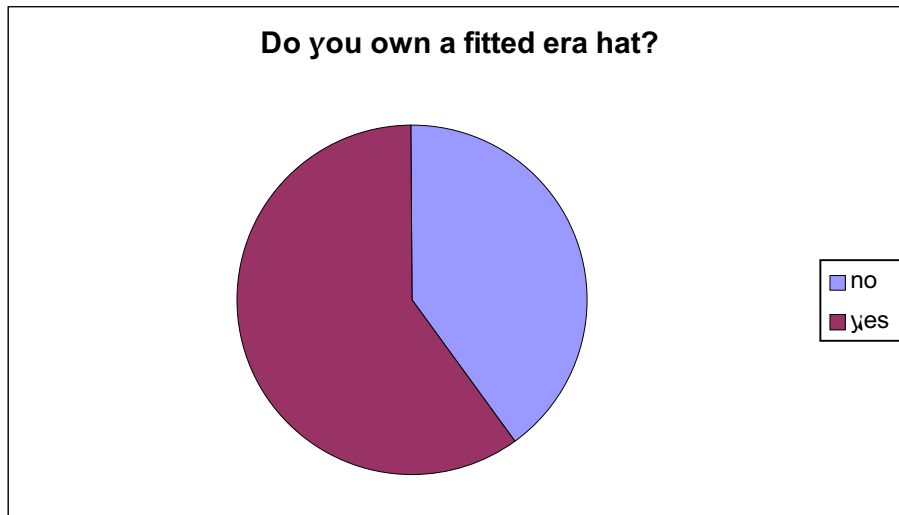
1. Do you know what a fitted era hat is?



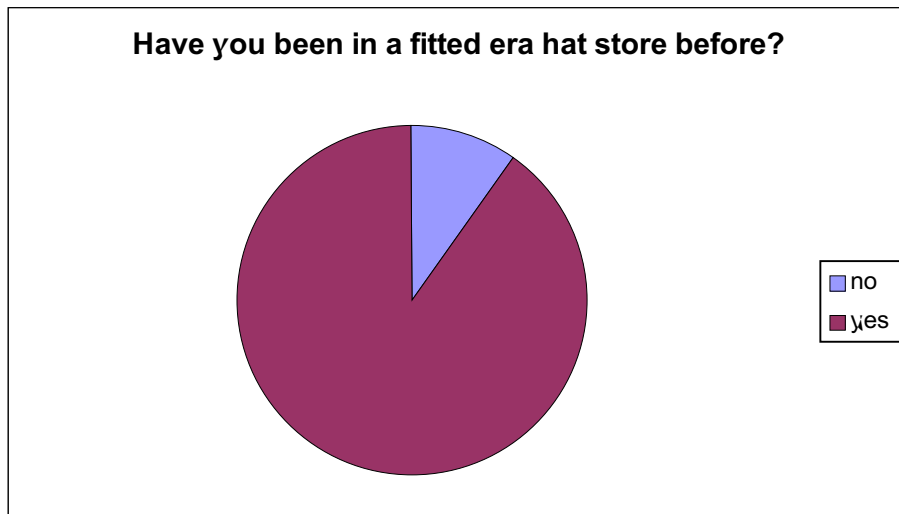
2. Have you ever worn a fitted era hat?



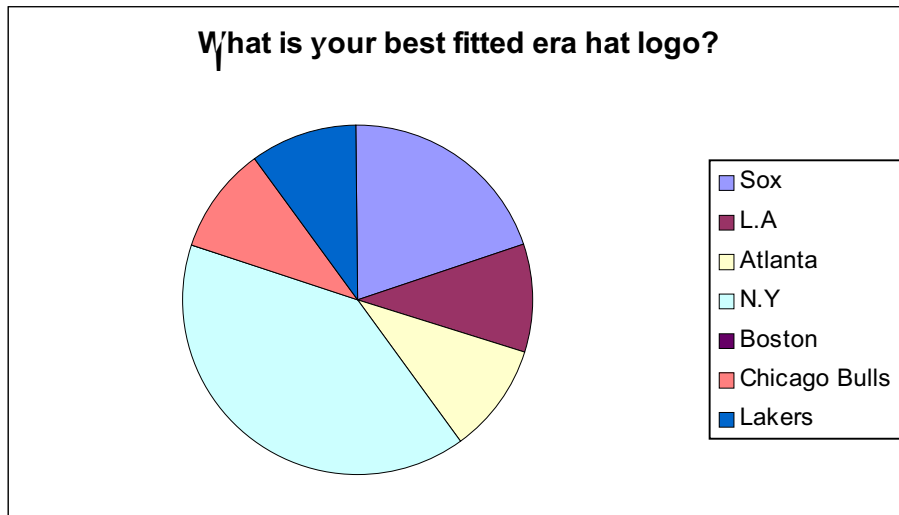
3. Do you own a fitted era hat?



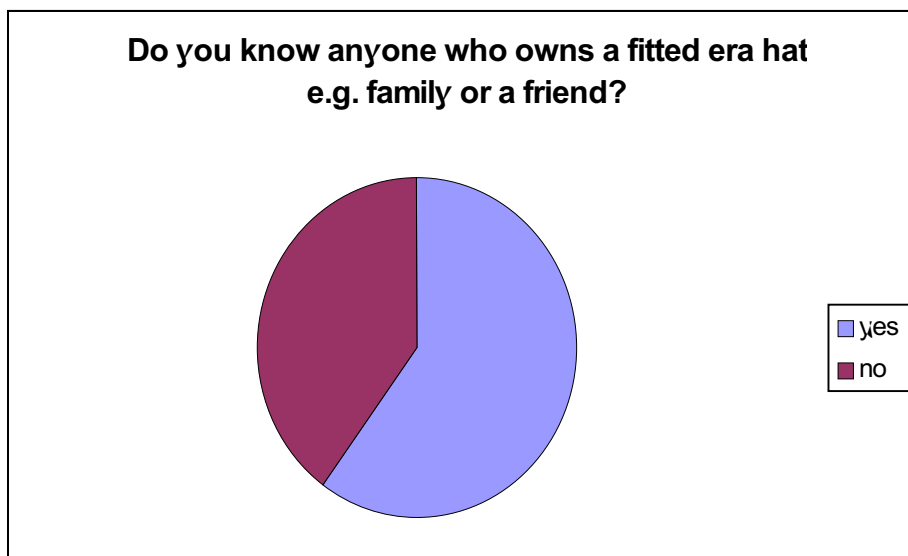
4. Have you ever been in a fitted era hat store before?



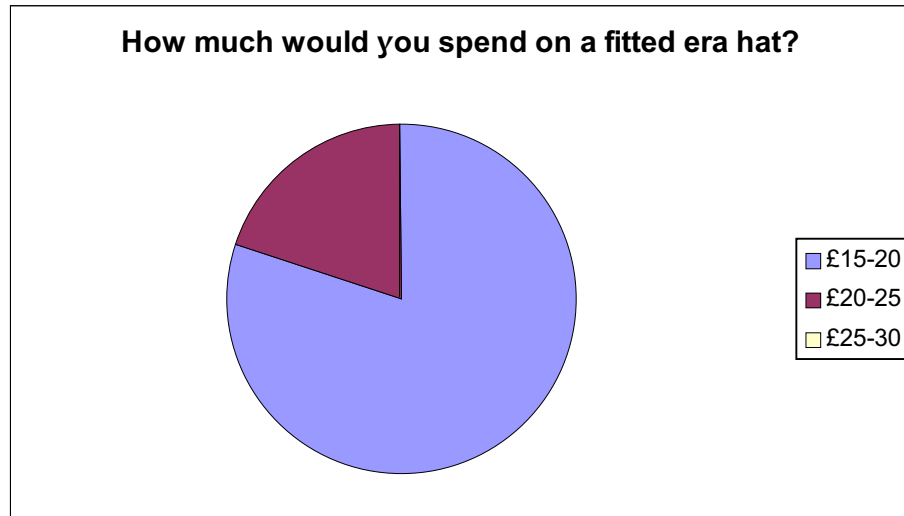
5. What is your best fitted era hat logo?



6. Do you know anyone who owns a fitted era hat e.g. family or a friend?



7. How much would you spend on a fitted era hat?



Predicted vs. Actual

Question 1- Do you know what a fitted era hat is?

I predicted the people would say yes
The actual result was I thought people would say yes therefore my prediction was correct.

Question 2- Have you ever worn a fitted era hat?

I predicted the result of people would say yes
The actual result of people asked was yes therefore my prediction was correct.

Question 3- Do you own a fitted era hat?

I predicted the result of people asked would say yes
The actual result of people asked was yes therefore my prediction was correct.

Question 4- Have you ever been in a fitted era hat store?

I predicted the result of people would say yes
The actual result was equal therefore my prediction was incorrect.

Question 5- What is your best-fitted era hat logo?

I predicted the result of people would say Sox.
The actual result of people said NY (New York) therefore my prediction was incorrect.

Question 6- Do you know anyone who owns a fitted era hat e.g. family or friend?

I predicted the result of people would say yes
The result of people asked said yes therefore my prediction was correct.

Question 7- How much would you spend on a fitted era hat?

I predicted the amount spent on a hat would be £25 -30
The actual result is £20-25 therefore my prediction was incorrect.

I am glad I carried out my market research as it has helped me gain a better understanding of what my customers think about my business idea. If I didn't carry out my questionnaire my business would fail.

Methods of promotion

The different methods of promotion are media advertising, direct mail, personal selling, and public relations and sales promotion.

Media advertising- Media advertising is basically got to do with television, radio and cinema maybe even magazines t could be even advertised by newspaper too. Media advertising can be used on vehicles and billboards on the side of the road. A catchy name attracts people to your business.

Direct mail- Direct mail is very simple to advertise you can send whatever you want to advertise by sending it. This is very cheap too. The business might send advertisements to people who bought products from that business from the past. This is used by financial services. A former customer may recommend a friend to the business.

Personal selling- this type of promotion is sold door to door or the worker of the business might call you at home at any time to see if you are interested in any of their products. The advantage of personal selling is that it's easier and they get more information because you are talking to them one on one. The disadvantage is that they might not want the product and hang up on you.

Public relations- this is a different type of promotion. Public relations are when people come to you to know about the business. If you are donating money or a prize at a school raffle this way people know more about the business. Another way of people knowing about the business is wearing a T-shirt with your business logo on it.

Sales promotion- this is a way of giving discount. There are many different sale promotions. Better value offers for instance giving a free hat away if they buy one, Competitions maybe a raffle or a quiz. Free gifts giving away 5 fitted era hat logos. Discount vouchers or they can give out a membership card or a fitted era hat voucher.

Advertising Decisions

My advertising decision is getting a celebrity to wear one of the hats so that in this way it is more persuasive to buy. I want my business to be well known and I want it to be one of the best in the country. As soon as I advertise my business people will be more likely to buy my hats. This is because they have found out by some way about my business.

	<i>Advantages</i>	<i>Disadvantages</i>
<i>Television</i>	I will get a lot of attention by using this type of advertising I can also use a celebrity which will increase my chances of people recognising my store.	This will be very expensive and it will be very hard to find a channel were they could advertise this type of business.
<i>Word of mouth</i>	This is the best way to people knowing about your business as many people can pass it on and it doesn't cost a thing.	This is quite bad too because if customers are not happy with the business they could ruin the businesses reputation by saying something bad dreadful about the business.
<i>Newspaper</i>	This is also a good way of people reaching your business people read the newspaper every morning or just in their free time.	This type of advertising does not give you all the information you need however it does tell you the key points you need 2 know about the business.
<i>Magazines</i>	Magazines are very cheap for your business to advertise	The problem is that not many people read magazines.
<i>Billboards</i>	They is a very good and a attractive way to advertise your business. This way everyone who walks for drives by sees how successful your business has become.	These cost loads of money and you need to know where you are going to advertise the business. A place was teenagers are.

Pricing strategies

Penetration pricing- this is appropriate when the seller knows that demand is likely to be elastic. A low price attracts people to the product. A penetration price is to do with introducing a new product into the business. People will not buy the product if it has a high price and there will be a loss. As soon as you introduce a new product there should be special offers or discounts. If you have competition it is a good time to have sales on your product.

Skimming- at a launch of a new product there will be barely any competitors. People wouldn't know that much about the product. Skimming means setting a reasonable price for the product. If a group of customers are satisfied the business can lower the price of the product. This process can be continued until a larger section of people know and are satisfied with the product. This could be a disadvantage because the business could lose loads of money if they have the price really low.

Cost-plus pricing- businesses only use something, which is called a mark up. Information about cost is easier to research than getting information about other variables. Unit cost is the average cost of each item produced e.g. if an organisation produces 800 units at a total cost of £24,000, the unit cost will be £30. Fashion items are marked up by between 100 and 200%. The best way of cost plus pricing is known to do with large organisations where economies of scale can be spread over.

Competition- based pricing- this type of pricing is got to do with competitors. When competing all the products look the same. People know a lot about the competitors. The price is got a lot to do with the competition. When a product is facing the same product but a different business the price will vary. A business might keep a high price but a better quality. However they might have the price low so it is considered as a bargain. If one competitor makes their business prices lower the other competitor will so they are forced to keep a little high price. If there are no competitors the business can put a really high price so people are bound to buy the product. But they can't put the price extremely high because the consumer might want to spend his money on something else.

Legislation

Trade description act

This indicates a business, which makes false accusations about the product they are selling. For instance my business were only selling new era hats with only one colour and I make a false accusation telling customers my hats come in a variety of colours. This statement is illegal and untrue.

Race relation act

It is illegal to discriminate anyone at work whether it is colour, nationality and race. The race relation act occurs usually at work. This is very common. The race relation act is carried out in many ways one of them is employment. However the employers aren't always involved. This could be involved by a manager of a big company who wants to recruit people and have interviews. The manager might not hire them because of their skin colour or their religion.

Health and safety act

This act is to make sure everyone feels safe and secure at work and if they were in any danger they would get good welfare. Employers need to be aware of all the safety hazards at where they work.

Sex offence act

This act is it ensures that no one gets sexually harassed and everyone is safe at where they work.

Constraints

Economic constraints

If you don't have money to spend on your business, your business will become unsuccessful this is a constraint. You would not be able to refurbish the building or hire employees. Start up capital is when you get money at the start of your business. Start up capital is a constraint because to start up your business you need money. However how will you get the money? You could get a loan. Nevertheless you need to pay it back. In addition you need to pay interest too and the interest rates could go up. When you have the start up capital you need you make sacrifices e.g. instead of employing 20 people you could employ 10. This means the business could go down hill. However you need to take that risk.

Legal constraints

Laws, which should be respected and obeyed. Employees should be paid the right amount of a good days work. You should not discriminate the employees or be sexist to them. In addition you need to sign documents to make your business legal. You need permission from the customer to get all their bank details and credit card number if they want to buy something.

Competition constraints

Competitors are one of your biggest problems in a business. Some businesses would do anything to make their business better and to put the competitor out of business. They could have better deals than you, friendly and helpful staff and a nicely decorated place so the customers feel comfortable. If they have their business near yours it will become even worse. All these points are constraints.

Social/Economic/Environmental

Social

There is another word for social that is market segmentation. There are different types of social aspects, Age, gender, income, region, religion and interests. This means that different people like a variety of items.

Age- the best age that will relate to this company are teenagers. You would be more likely to see teenagers wearing fitted era hats than elderly people.

Gender- For this characteristic you would probably choose males to wear the hats, as that is the better choice.

Region- it will be better for people who live around the store for them to go check it out and buy something. It will take a very long time if it takes you more than an hour to get there.

Religion- it really doesn't matter about the religion any one can wear the hats. It is not against any religion.

Interests- people will only buy the hats if they are into fashion and like wearing hats.

Economic

Economic is the money side of things. This means what types of jobs there are.

Economic group	Example of occupations
Class 1 Group A- Professional	Doctors, Judges, Company Directors
Class 2 Group B- Intermediate	Teachers, Department managers, solicitors
Class 3 Group C1- Skilled non- manual	Supervisory workers, Secretaries, Sales assistants
Class 4 Group C2- Skilled manual	Skilled manual workers, electricians, plumbers
Class 5 Group D- Part Skilled	Semi-skilled workers, assemble line workers, cleaners
Class 6 Group E- unskilled	Unemployed, casual workers, State pensioners

Environmental

There are loads of different aspects on environmental issues. Cardboard boxes and plastic bags are a waste and people throw them on the floor when they are done with them. I recommend that staff should sell plastic bags for 5p so less people will buy it and the environment will become cleaner. Sound is also another problem if you put music on in your store. You have to make sure that the music isn't as loud that people outside the store can hear it. This is another word for noise pollution. You should also remember electricity is part of the environment. The lights in your store should be shut in the day time and remain shut when you close the store for the day.

Bibliography

I got information from many sources especially textbooks, the Internet and teachers notes. The most helpful I found was the teachers notes. This is because the teacher gave specific notes on the coursework and the main points. This made my coursework a lot easier to carry out. The Internet had a lot of information however some of it didn't relate to what I had to produce. I got my information from www.multimap.com this gave me an insight of what I had to include for my coursework. In addition the site gave me information about my competitors and different types of research. This site gave me pacific areas where I could locate my business. I went on a site called the business dictionary; this gave me definitions of any titles I didn't understand. For my poster I went onto google images and found loads of pictures relating to my business. The other source of information was the textbooks. I used a variety of textbooks because I could compare each textbook to my specific research. I found a handful of information, which I could include in my coursework. Although it was very time consuming when I had to look through most books and find detailed information.