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## Integrations of Management Information Systems and The Division of Labor in Apparel Retail Operations

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INTEGRATIONS  
OF  
MANAGEMENT  
INFORMATION  
SYSTEMS AND  
THE DIVISION  
OF LABOR IN  
APPAREL  
RETAIL  
OPERATIONS

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### **Abstract**

This creative component focuses on decision-making strategies, technique, and practices pertaining to store operations and information systems (IS) for a hypothetical, large, integrated women's apparel retail firm. This paper has specific focuses in the Division of Labor on the retail level, Information and data flow from the retail level through to the supply chain, and the use of Management Information Systems (MIS) in managing the retail to front- and back-office operations, and flow of information. The paper begins with a business profile of the hypothetical firm and its industry, a streamline marketing and operational plan, and ends with a unified strategy set and suggestions for buying and planning.

**Keywords:** Retail, Women's Apparel, Division of Labor, Management Information Systems (MIS), Enterprise Resource Planning (ERP), Front-end Operations, Back-End Operations

This integrative paper focuses on the division of labor and its effects on front- to back-end operations for a company, as well as the importance of Management Information Systems. A division of labor, or division of labour, can be defined as, "the separation of a work process into a number of tasks, with each task performed by a separate person or group of persons" (The Editors of Encyclopedia Britannica, 2017); "the breakdown of work into its tasks or parts and assigned to various people, groups, or machines for the purposes of efficiency" (division of labor, n.d.) or; "the assignment of different parts of a manufacturing process or task to different people in order to improve efficiency" (division of labor, n.d.b). The common theme across all three definitions is that there is an allocation of tasks within a job or process to different people or groups. In addition, two of the three definitions mention efficiency as the purpose for the

division of labor. The name itself is self-explanatory in that a division of labor can be thought of simply as dividing the labor of a job or process. To add, Operations management is, “the control of the activities involved in producing goods and providing services, and the study of the best ways to do this” (Operations management, n.d.). This paper will also combine Division of Labor as a theoretical framework and Systems Management Theory in explaining more efficient operations. Information Systems is a key component to front- to back-office operations in this paper, and the ways that they are relevant to operations will be explained throughout this paper.

**Business Profile** Contemporary Aestheticc, Inc. is a hypothetical, large, United States-based apparel, shoe, and accessory retailer, headquartered in New York, New York’s garment district. The company opened the doors to its first location in 1998, near its headquarters in New York City. Since 1998, Contemporary Aestheticc Inc. has expanded its brick-and-mortar locations from one to 1200 locations throughout the United States, in major cities such as New York, Washington D.C., Philadelphia, Los Angeles, Houston, and Atlanta. They expanded their company to include e-commerce operations in 2000. The company’s key competitors include Zara and H&M.

Contemporary Aestheticc Inc. is a women’s apparel retailer for the young professional with a vibrant social life. Contemporary Aestheticc Inc. specializes in clothing that exhibits exactly what the company's name is, a contemporary aesthetic. The offerings include women’s tops and blouses, pants, jeans, skirts, shorts, dresses, jumpsuits, suiting, jackets and outerwear, lingerie, shoes, and accessories. Although the company offers staple pieces, trend pieces, and timeless classics, the apparel offered with the “contemporary aesthetic” are those pieces that have a modern twist to them. For example, Figure 1 shows an example of a basic women's button-down shirt, which would be offered by the brand, but the emphasis would be on clothing

similar to Figures 2 and 3. Figures 2 and 3 displays a modern twist to the classic white button down, which are the types of features Contemporary Aestheticc Inc. would like to focus on in terms of key offerings.



*Figure 1, Basic Button Down*



*Figure 2, Modern Adaptation 1 example*



*Figure 3, Modern Adaptation 2 Example*

### **Retail Apparel Industry Status in the U.S. for Specialty Apparel Retail**

Specialty retailers can be described as retail establishments that sell a specified product category (Hawks, n.d.). The retail apparel industry sector that will be focused on in this paper will be the Women's Apparel Retail or Women's Clothing Store sector. The Women's apparel retail industry is made up of, "establishments that specialize in women's wear, including misses', juniors', plus-size and maternity clothing" (O'Conner, 2018). Stores that fall into this broad category include, but are not limited to, Rainbow Apparel, Torrid, Forever 21, LoveCulture, Ashley Stewart, and New York & Company. O'Conner's (2018) report shows that the key external drivers of performance for this industry include the growth of per capita disposable income, households earning over \$100,000, external competition due to income inequalities, and the population of persons between the ages of 20 and 64. This means that these four factors impact whether the women's apparel retail sector will be expected to experience an increase or decrease in things such as sales and revenue

In terms of growth per capita disposable income, a higher disposable income gives consumers the ability to purchase more discretionary items, and per capita income is expected to increase in the U.S. in 2018 (O'Conner, 2018). In terms of how this affects Contemporary

Aestheticc Inc's sales and revenues, its customers will be more inclined to spend more and shop longer with the company with a larger discretionary income. This also rings true for the key driver of households earning over \$100,000. According to O'Connor, "Consumers in a higher-income bracket are more likely to shop at specialized women's clothing stores", and it is expected that there will be an increase of households earning over \$100,000 in 2018 (2018).

External competition due to income inequalities could be a negative external driver for Contemporary Aestheticc. If less expensive substitutes of the company's apparel offerings are available elsewhere, it could cause a reduction in sales for the store. O'Conner (2018) predicts an increase in external competition to women's apparel retailers. Lastly, O'Connor reports that, "The number of adults in the population, especially females, affects demand for women's clothing; "adults between 20 and 39 years old are a key demographic for women's clothing;" and there will be a slight population increase in the 20 to 64-year-old age range in 2018 (2018).

From the year 2013 to 2018, the women's clothing retail industry annual growth rate was expected to decrease -1.6%, with revenues of \$42.5 billion, and a 2018 decline of 1.0%, which is due to factors such as, a decline in mall foot traffic, and external competition from superstore retailers ( O'Conner, 2018). According to the Sales value of women's clothing stores (2018), sales increased from \$43,956 (in millions) in 2013 to \$47, 975 (in millions) in 2018, as shown in Figure 5. The industry outlook from the years of 2018 to 2023 include an expected annualized rate decrease of -0.5%, with revenues of \$41.4 billion, an increase in competition from more entrants into the industry and online retail (O'Conner, 2018). Figure 4 shows a 2018 to 2023 outlook snapshot below. Sales value of women's clothing stores (2018) forecasted that sales would increase from \$47, 975 (in millions) in 2018, to \$49,462 (in millions) in 2020, as shown in Figure 5.

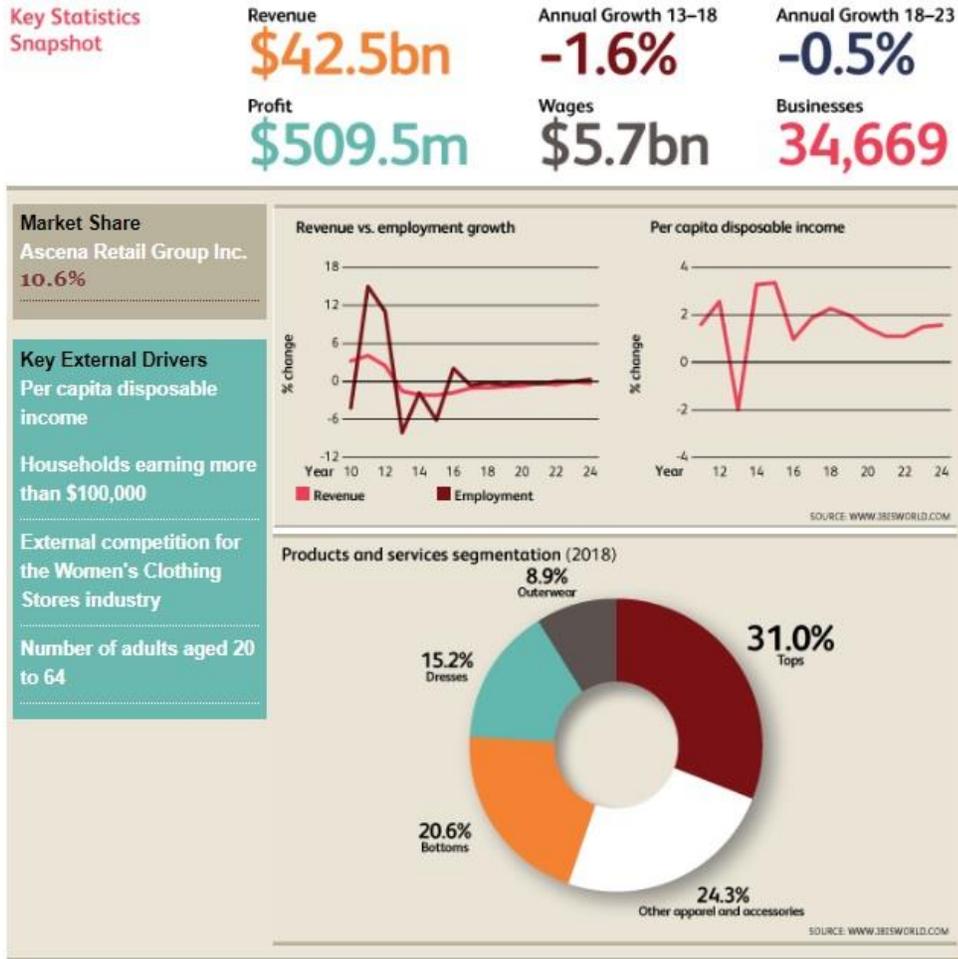


Figure 4.1, Snapshot of women's apparel retail industry performance and outlook

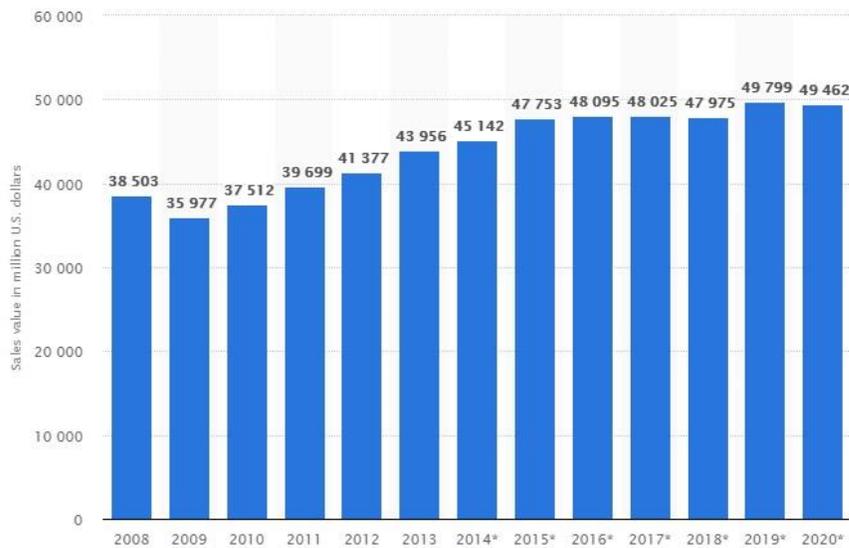


Figure 4.2, Women's clothing store sales

## Competitive Analysis

### Competitive Advantages or Disadvantages

**Competitive advantages.** A competitive advantage can be described as, “A superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation” (competitive advantage, n.d.). One competitive advantage Contemporary Aesthetic Inc. is their Unique Selling proposition (USP). The USP, as mentioned in the business profile, the offerings will incorporate a unique, modern twist to many traditional and classic garments. According to Schlossberg, (2016), Millennials want to be unique and stand out. Contemporary Aesthetic Inc. attempts to meet that demand in the design aesthetic of the company's key offerings.

Another competitive advantage that Contemporary Aesthetic, Inc. has is that other industries outside of apparel and apparel retail are studied for operational strategies to apply to the company on every level. This is a competitive advantage because it helps the company to

develop tactics and view their operational strengths, weaknesses, and execution from a variety of perspectives that their competitors may not consider. The new variety of perspective and tactic gained also gives rise to the possibility of the development of new innovative operational strategies, and innovative adaptations of current operational strategies. Keullian (2018) states that "the key to becoming an industry leader is to innovate faster than anyone else in your space". He continues by saying that, "the key to faster innovation is to study innovative leaders in other industries so you can borrow their strategies and be the first to implement them in your own industry" (Keullian, 2018). He proves his point further by mentioning how Subway became a first mover and industry leader in "healthy" fast food by studying and adopting strategies from the fitness industry (Keullian, 2018).

Another example of innovative strategies is a business that needed an idea for inventory-tracking and found a solution in the field of robotics when they used the ideas from the sensors used on miniature soccer playing robots (Poetz, Franke, and Schrier, 2014). For Contemporary Aesthetic Inc., the automotive, electronics, beauty, and a variety of other industries are consistently studied to learn what works for their industries in terms of operational efficiency, accuracy, and quality. For example, engineering, economics, as well as the automotive industries were studied to adopt the process of division of labor into the company's retail operations. Price (2004) notes that Henry Ford's enhancement of the automotive assembly line was due to the application of the division of labor. As the company continues to grow, it will continue to study the operational strategies of various industries for ways to innovate the company's operations. Another competitive advantage of the company is an investment in top-of-the-line Management Information Systems (MIS). Having a fully integrated, management information system that is designed to be seamlessly integrated from end-to-end, made for multiple retail channels, and

tracks and updates data from all levels of the company in real-time give the company the ability to compete in the market. Because there is visibility in all departments and levels of the company with real-time updates, the competitive advantage is that employees have the ability to spot errors and problems within the chain of operations or the supply chain and correct them before they progress too far to be corrected. This translates to efficiency, speed, a decrease in data error, and cost reduction against competitors.

**Competitive disadvantages.** A competitive disadvantage can be described as, “a factor which places a business at risk for losing customers to a competitor” (competitive disadvantage, n.d.). The U.S. women’s apparel retail sector is highly saturated with approximately 34,669 businesses (O’Conner, 2018), making it a highly competitive industry. In comparison H&M and Zara, who will be discussed later in this paper, Contemporary Aesthetic Inc. has not yet reached the international status, the number of retail doors, or popularity of its competitors. The company is still newer than its competitors and needs to achieve more brand recognition and loyalty among consumers. Based on observation of H&M and Zara’s brick-and-mortar stores, as well as their online stores, both retailers have a much more extensive product offering, including brand extensions to include things such as maternity wear offered by both stores, among other extensions.

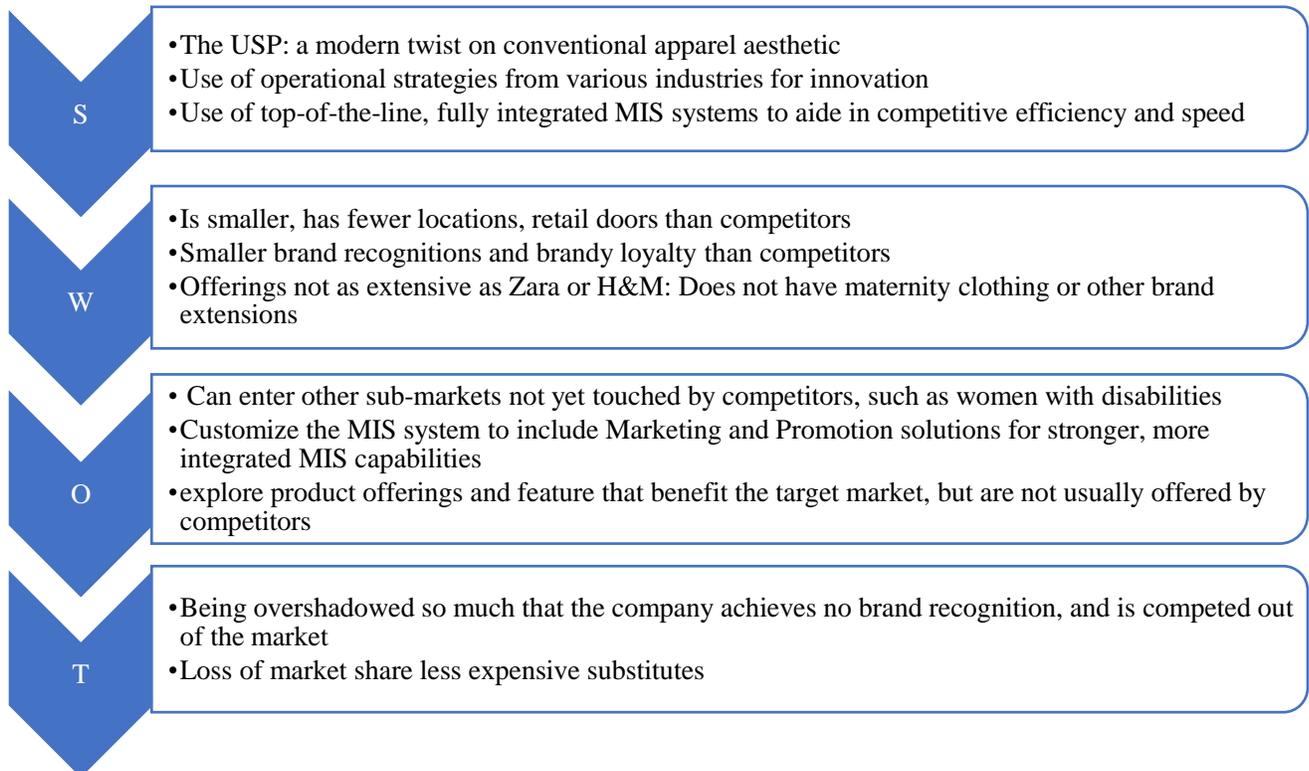
**How data obtained through information systems management (IS) and store operations create competitive advantages.** “One of the key factors in achieving an organized and efficient retail operation is the use of information technology as an enabler. Information Technology is the key enabler to improving customer satisfaction, operational efficiencies and by extension, profitability” (Saroja, 2012, p.224). Data obtained through IS management and store operations create a competitive advantage because it provides each functional area with

real-time data of how stores and online channels are doing in terms of sales, revenue, best selling products, and worst selling products. This data in real-time allows functional areas in the back-office operations of the business to identify weak areas of each store quickly and make well-informed decisions.

### **SWOT Analysis**

The competitive advantages and disadvantages that Contemporary Aesthetic Inc. is faced with helping to develop an analysis of the company's strengths, weaknesses, opportunities, and threats (SWOT). The strengths the company has are derived from the competitive advantages, including the USP of the store offerings, the implementation of operational strategies from various industries for innovation, and investment and implementation of top-of-the-line, MIS systems that are fully integrated into all retail channels, front-office department, back-office departments, and the supply chain for help in speed and efficiency. The weaknesses of the company include fewer locations and retail doors than competitors, smaller brand recognition and loyalty than competitors, product offerings that are not as extensive as their competitors. Opportunities include researching and trying to enter sub-markets not yet entered by competitors, such as women with disabilities. Other opportunities include customization of the MIS system further to include marketing and promotion modules and solutions, for stronger, more integrated systems and operations, and exploration of products and features not normally offered by competitors. These products and features could include stain-resistant fabrications, special sizing that accommodate broader shoulders, wider hips and bigger buttocks' with smaller waists, or smaller frames with bigger breasts, and inside blazer and jacket pockets that are normally designed in men's jackets. Lastly, the threat to the company would include the possibility of being overshadowed by competitors that are much larger and more popular, to the point of being

competed out of the women's apparel retail market. Another threat for the company is the possibility of losing market share to retailers that sell similar items for a lesser price. This could capture the customers that are very price sensitive, or those that do not have the disposable income to shop the products at Contemporary Aesthetic Inc.



## Marketing Theory and Application

### Business/Marketing Theory, Model, or Framework

**Division of labor (as a theoretical framework).** According to Labaree (2013), “theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study”. The division of labor is considered to be a theoretical framework because it is the concept of a process that can be tested for research. In addition, the division of labor gave rise to the

development of theories such as the Scientific Management Theory, or Taylorism (Huang, Tung, Lo, & Chou, 2013). The division of labor as a theoretical framework will be used to explain and support how the process of division of labor translates to efficiency, higher quality, and accuracy in apparel retail operations. Based on the definitions of the division of labor written earlier in this paper, it is established that as a business process or strategy is dividing the tasks of a job or process amongst various people and groups. It can be looked at as a micro-level framework, in that the focus is on divided and individual task execution in a company. Theorist Adam Smith's perspective of a division of labor was that it is where the "specialization and concentration of workers on their single subtasks often leads to greater skill and greater productivity on their particular subtasks than would be achieved by the same number of workers each carrying out the original broad task" (Division of Labor, 2016). Becker & Murphy (1992, p.1137) cites Adam Smith in saying, "The greatest improvement in the productive powers of labor, and the greater part of the skill, dexterity, and judgment with which it is anywhere directed or applied, seem to have been the effects of the division of labor". Theorist Kant (1785/2017) wrote that, "all crafts, trades and arts have profited from the division of labour; for when each worker sticks to one particular kind of work that needs to be handled differently from all the others, he can do it better and more easily than when one person does everything. Where work is not thus differentiated and divided, where everyone is a jack-of-all-trades, the crafts remain at an utterly primitive level".

***Translation to efficiency, accuracy, and higher quality.*** There are many tasks that must be executed daily in apparel retail. The tasks are not performed in a linear sequence, but rather in a simultaneous or in an alternating fashion. For example, consider an apparel retail store. Walking in, one may see sales associates working on monetary transactions from the checkout

counter, unpacking, sensoring, hanging merchandise on hangers, then distributing merchandise to their designated sections on the sales floor. These tasks are also paired with continuous cleaning and monitoring dressing rooms, keeping the racks organized, maintaining active customer service, as well as requested customer service tasks of retrieving merchandise, locating merchandise within the store and across stores, and styling customer ensembles and full wardrobes. Such tasks may be required to be done simultaneously, so there may be a continuous running back and forth between tasks, which could in constant fatigue, and instances of data error during transaction or inventory processes, mediocre customer service, and constant difficulties in completing major tasks. These instances are occurring in retail environments where a division of labor is not adopted.

Consider an apparel retailer that does adopt a division of labor within its store operations. Work may be done energetically, more focused, and efficient. Nystrom (1915, p.69) wrote, "It is mainly with salespeople that the public comes in contact and upon the efficiency of their work hangs the success of the store. But selling goods is not the only work to do in a store. Before goods can be sold they must be bought, handled, unpacked, stored, displayed, repacked or wrapped, and delivered. Office records and accounts must be kept, correspondence carried on, advertisements written, and so on. Finally, the store building must be kept clean and in good condition for selling. All this work is carried on in order to make it possible to sell goods. There is then a division of labor in a store which may be roughly outlined as follows: Actual selling 50% Office work 15% Stock marking, etc. 8% Delivery 8% Care of building 5% Other work 14% Total 100%. Because this work was published in 1915, amount of work and division of task percentages may be different in today's workforce, but it is still true that selling is not the only task within retail operations.

A division of labor within apparel retail operations translates to accuracy, efficiency, and higher quality through better time and energy to pay attention to if information input, monetary transactions, and if scanning and tracking merchandise are all correct. Rather than having a sales associate who juggles various tasks such as performing monetary transactions on the Point-of-Sale system, preparing merchandise to be stocked on the sales floor, and assisting customer, dividing the tasks will prevent an overwhelming overlap of immediate tasks that can result in distraction and inaccurate data input. This reduces the time needed to correct inaccurate data input to redo processes again. For this process to be possible in a retail setting, an adequate number of retail employees must be hired in order to effectively carry out the variety of tasks in an evenly distributed manner. For example, Contemporary Aesthetic Inc.'s stores cannot effectively carry out a division of labor if there is only a sales associate and manager on duty for the day. With the number of tasks required in the daily operations of an apparel retail store, attempting a division of labor with two employees would not be possible. If the store, being one that has a casual apparel section, a career apparel section, a dressy section, a basics section, a lingerie section, and shoe, jewelry, and accessory section, the cash wrap, the dressing rooms, and the stockroom for inventory, then it would be best to hire enough employees that can cover one to two areas in close proximity to one another, with shipment and inventory operations handled in the stockroom only. For eCommerce retail operations, the same rule applies. Based on the tasks at hand, there will need to be an adequate number of people hired for each task. In addition, because eCommerce deals with operations on a larger scale than a single retail location, there may need to be teams of people with the right skill sets that will be assigned to each job and task. The key to an effective division of labor is matching the right amount of people to the jobs, tasks or task areas at hand.

**Systems management theory.** Systems management Theory can be looked at as a macro-level theory, in that it focuses on the overall state of an organization, and the how its components work together to help the organization function as a whole. Systems Management Theory is an adaptation of General Systems Theory. Mele, Pels, & Polese (2010) cites Bertalaffy (1956) in first explaining General Systems Theory as, “a system as a complex of interacting elements”. Mele, et al. (2010, p.127) further state that, “in the notion of the theory is a focus on interactions”, where, “the center in relationships lead to sustain that the behavior of a single autonomous element is different from its behavior when the element interacts with other elements” (Mele, et al., p.127). The notion of Systems Management Theory is that, “a system is a collection of parts brought together to accomplish some end goal or objective” (Wengrzyn, n.d.). In viewing an apparel retail firm through the Systems Management Theory, the overall retail firm is the system, composed of a variety of parts, including the retail channels and locations, the front-office departments, back-office departments, through to the supply chain players, who all work together to bring women’s apparel, shoes, and accessories to the target customer. There exist six components to the systems theory of management. These components, as written in Components of Systems Theory of Management (n.d.), include Sub-Systems, Synergy, Open and Closed Systems, System Boundary, Flow, and Feedback, and are further explained below, with a corresponding graphical representation in Figure 6.

***Sub-systems.*** An organization, which can be viewed as the system, is made up of departments, which can be viewed as sub-systems. For a retail firm, the firm itself would be considered the system. The sub-systems would be the inventory warehouses, the functional departments such as Finance and Marketing, the logistics department

*Synergy.* There must be relationships fostered amongst all areas of the organization for it to work efficiently. As this applies to the retail firm, each department must work and communicate with one another, as well as the eCommerce and brick-and-mortar channels to make sure that each location in each retail channel gets the right amount of inventory, in the right sizes, at the right time. The brick and mortar and eCommerce channels must communicate and send information to the corporate headquarters, which go to corresponding functional departments concerning employee performance, inventory levels, sales and revenue so that each department can work together to make well-informed decisions for management of the retail channels.

*Open and closed systems.* Systems may be open systems or closed systems, and most organizations are open systems to some degree. Open systems are those that engage in active interaction with their environment, while closed systems have little to no interaction with their environment. Apparel retail would be considered an open-system, in that it interacts with their customers through customer service and transactions.

*System boundary.* “Each system has a boundary that separates it from the environment”, and “the world outside the boundary of the system is its environment”. The boundary in an open system is overlapping, or flexible, while rigid in a closed system. Because an apparel retailer would be considered an open system, its boundaries within the environment are flexible. For brick-and-mortar locations, the system boundary may be the hours before and after the hours of operation. During those times, customers cannot interact with the store. For eCommerce channels, the boundary may be the lack of a physical location to interact in person, or it may also be the hours before and after eCommerce Customer Service hours. True, customers may be able

to shop and order online at any time, but there may still be certain times that a customer can interact with someone in the Customer Service department.

**Flow.** Flow describes the flow of inputs supplied from the environment, such as materials, transformation into outputs, and the outputs, such as goods and services, supplied to the environment. In an apparel retail firm, the inputs would be the materials and products sourced to create the apparel, shoes, and accessories, the labor sourced to create the products, the money to finance the labor and products, as well as create the retail stores. The transformation would be the processes to create the products and to create online and brick-and-mortar stores. Lastly, the outputs would be fully functioning retailers with completed products.

**Feedback.** Feedback stands as the information from the environment that lets the organization know if the outputs supplied have been accepted. The feedback is used so that operations can be evaluated and corrected. In a retail firm, feedback would come in the form of customer testimonials, customer complaints, and sales and revenue reports.

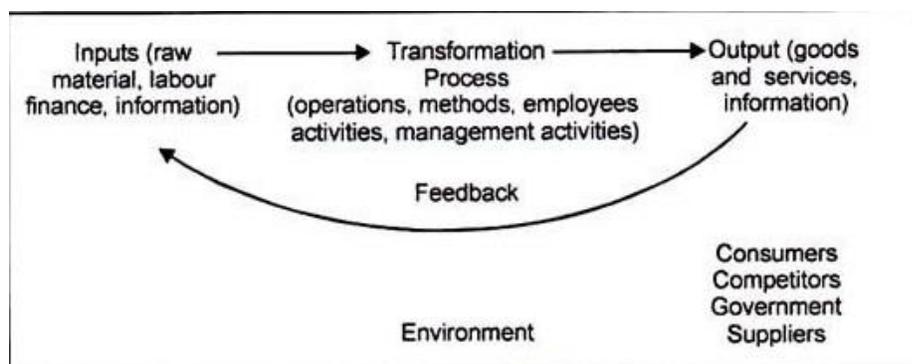


Figure 5, Systems Theory

**Translation to efficiency, accuracy, and higher quality.** The Systems Management Theory is complementary to the theoretical framework of the Division of Labor, where the Division of Labor represents a micro-level perspective, and Systems Management Theory

represents a macro-level perspective of operations. In the division of labor process, tasks are divided among people and groups (sub-systems) for a better, more focused task execution. Once tasks are executed more efficiently, accurately, and with higher quality through a division of labor, that gives each department and supply chain players a smoother and more accurate flow of information. This smoother, more accurate flow of information helps the overall progress of the organization by reducing supply chain errors due to inaccurate information. A reduction of supply chain errors translates to a reduction of cost associated with things such as procurement of too many or not enough products and materials. It also translates to a reduction in time and cost to fix those errors. Each subtask must be mastered for the whole system to make progress and move from one process to the next.

**Theoretical Applications.** Together, the theoretical framework of the Division of Labor and Systems Theory of Management explain sources of competitive advantage for this retailer in that it applies an organized, micro- and macro-level approach to operations management. Having both an individual and holistic focus on organizational operations allows the company to always foster the development of competitive strategies on two different levels. Their applications to the firm improve process efficiency and aids in information accuracy through better focus and task definition. This helps the overall flow of the system. Their applications also improve quality in terms of productivity and the ability to have proper energy to perform better customer service, which reflects the company (system) as a whole. In terms of growth and guidance for the direction of the firm, it is the belief of the company's managers and strategic executives that these two theories together must be fully understood and mastered on all levels of the company in order to grow effectively. These two theories that the company operates on builds a strong foundation and capability for growth. Tasks must be divided and have an adequate focus for

them to be done right, and each task done correctly makes for strong overall system performance. As the company expands, these theories will be even more important because of the need for more organization, stronger task execution for better synergy and company performance.

**Retail Data and IS in the enhancement of information flow in front- to back-office operations.** Retail data and information systems (IS) can be used effectively to enhance information flow in front- to back-office operations in terms of speed, organization, workflow, supply chain efficiency, and smart decision making. With Contemporary Aestheticc, Inc. being a large, integrated retail firm with multiple stores, managing all of the data to and from the stores, the eCommerce channels, as well as throughout the supply chain is important. Information technologies provide automation, which results in decreased operating costs; quality assurance, which translates to better quality of product/service; value-added services, resulting in differentiation; and "competitive intelligence" (Saroja. 2012, p.224). In terms of Information Systems, this paper focuses on Enterprise Resource Planning Systems (ERP), which are the systems that manage the front- and back office operations. An ERP system is described as, "software packages that integrate all the data and the related processes of an organization" (ERP for Retail, n.d.), and are "designed to facilitate the optimization of internal business processes across an enterprise" (ERP for Retail, n.d.). They enhance the flow of information because their databases allow for the various functional department to communicate with one another (ERP for Retail, n.d.).

An ERP system is a good representation of both the theoretical framework of the Division of Labor and the Systems Management Theory. ERP systems are made up of modules that represent various organizational functions and operational tasks. As it pertains to the

Division of Labor, each module is designed for a specific department or function, where all of that function's activities are executed in that particular module. It would not be a good idea, for example, to have Human Resources tasks in the same module as the Procurement tasks. The tasks are divided by module, and the modules are divided by function or department. As it relates to Systems Management Theory, the modules of the system are within a single database.

Although the database is separated into modules, there exists the ability for cross-functional communication and information exchange through the database. All of the modules work together to run the organization as a whole.

To look further into how retail data and IS enhances the flow in front- to back-office operations, this paper will review several information systems companies to see how their systems enhance the flow of information. From front- to back-office operations. Brightpearl is a multichannel cloud-based solution that is combined with the Brightpearl point of sale system (multichannel, n.d.). It integrates operations of front-office, back office, through the supply chain in one software solution. According to Multichannel (n.d.), "Brightpearl's single, integrated platform ensures that every area of your business is connected; orders are automatically downloaded from all of your sales channels into one centralized system alongside your inventory, purchasing, warehousing, accounting, and reports". They continue by stating, "This means faster and more effective flows of cross-team communication and collaboration and greater levels of transparency and accuracy across your entire operation" (Multichannel, n.d.). This means that information flows from the point of sale, through all areas of the business. The solution integrates traditional accounting features, sales, purchasing, and FIFO inventory management, as well as an instant review of profitability through all channels, as well as customers and products (Multichannel, n.d.). All of the manual accounting processes that are

usually done separately, and at different stages are now streamlined into an integrated feature that updates in real-time. This feature is much more efficient in an integrated solution than having to retrieve and compare the information from each department separately. Other features include multichannel inventory control that syncs and manages all inventory channels in a single location; a POS system that is integrated into the back-office system; and workflow automation for order management, fulfillment, and accounting processes within the business (Multichannel, n.d.). Front- to back office information flow is much more seamless, organized, and efficient with this solution.

Blue Cherry Suite by CGS Inc. is a fully integrated Information System targeted to the apparel industry. This solution includes ERP, Product Lifecycle Management (PLM), Electronic Data Interchange, Shop Floor Control, B2B eCommerce, Omnichannel merchandise planning. BlueCherry (n.d.) states that its solution has, “the built-in capacity to address fashion, apparel and footwear companies' fundamental needs in core management, planning, design and product development, sourcing, manufacturing, logistics and sales functions. BlueCherry (n.d.) goes further by stating that, “these end-to-end capabilities enable brands to efficiently manage the entire concept-to-consumer process for improved speed to market and enhanced competitiveness”. So, by managing the entire concept to consumer process in one integrated solution, businesses can compete within the apparel market. Going a little further into the features will reveal how that is possible. The ERP feature can, “streamline processes, gain greater visibility, increase productivity and operational efficiency, reduce costs and enhance competitiveness” (BlueCherry, n.d.). The PLM feature manages product data management (PDM), bill of materials (BOM), technical specifications, as well as line planning, design, product development, sourcing, and production capabilities (BlueCherry, n.d.). The EDI

capability streamlines and automates more than 40 transaction processes across both the supply chain and demand chain, and notes that this capability reduces human error and costs due to those errors (BlueCherry, n.d.). Their shop floor control feature gives the manager the ability to make, faster and better decision and address problems before they get out of control, by providing real-time reports of production activities on the shop and department floor (BlueCherry, n.d.). The B2B eCommerce feature provides a private marketplace, which makes the wholesaling process faster and simpler than traditional ways (BlueCherry, n.d.). Lastly, the Omnichannel Merchandise Planning feature provides, "robust and flexible capabilities significantly improve retail, wholesale, catalog and eCommerce channel results for reduced stock-outs and mark-downs, and improved inventory balancing and demand optimization (BlueCherry, n.d.). This solution, like that of Brightpearl, brings all the front- to back office processes into a streamlined, integrated solution, accessed in one place. The difference, however, is that this solution does not include a point of sale system that is integrated into the back office, which would work much better for Contemporary Aestheticc, Inc.

Exenta is another apparel industry-specific ERP solution. Their features include ERP, PLM, Supply-Chain Management, Warehouse Management, Materials Requirements Planning, EDI, Shop Floor Control, and Financial Management. The ERP feature performance process automation, and aids in better financial controls; PLM decreases costs; Materials Requirement Planning aides in optimization of inventory and delivery, Shop floor control provides shop floor visibility and control; Supply Chain Management aids in better testing and better quality, and a shorter cycle time; Warehouse Management feature aids in better accuracy of inventory and smaller inventory levels; EDI aids in better accuracy of orders; and Financial Management makes sure accounting standards in compliance (Exenta Enterprise Software, n.d.). The complete

list of features and corresponding abilities are not listed for this software, because they have been listed in one or both of the previous ERP solutions. IS, more specifically, ERP systems enhance information flow from front- to back-office operations by being a system that allows the various functions to communicate with one another; integrating and streamlining all of the business processes into one system, and information accuracy, speed, and management.

## **Marketing and Operational Plan**

### **Information Flow**

Information flow will be managed from end-to-end, as in from the retail level to the end of the supply chain with Information Systems in the form of an Enterprise Resource Planning (ERP) System. According to Saroja (2012), “Information technologies are highly integrated with the advent of end to end digital technologies, it is possible to transmit, store, process and distribute different forms of information on a single integrated technology” (p. 225). Referring to the three ERP systems discussed earlier in the paper, Contemporary Aesthetic Inc. will have a fully integrated ERP system that is also integrated into the POS systems at the retail levels. The ERP systems will have to be a multichannel system as well. Its features will have real-time reporting on every level of the company and supply chain, and allow for seamless communication between departments, stores, warehouses, and facilities. It will be one that not only collects and reports data and information in real-time, but also manages, stores, and organizes that information, with an internal cloud backup system.

## Situational Analysis

### **Environmental and operational audit.**

*Demographic trends.* According to U.S. Census Bureau QuickFacts: United States (2017), the U.S. population as of July 1, 2017, was 325,719,178, where women made up approximately 50.8%, and persons over 25 with a Bachelor's degree or higher was 30.3%. The United States ranked number 3 in population, with a 0.71% growth rate (United States Population 2018, 2018). United States Population 2018 (2018) also reports that the most populous state is California with a population of more than 39.5 million people, while New York City is the highest populated state with 8.5 million people. Contemporary Aesthetic Inc. has a retail location in both New York City and Los Angeles because they are major cities with higher populations of potential consumers than if a store would be located in a small, suburban geographical area. The disadvantage, however, is that with highly populated major cities come more competition, which may or may not cause Contemporary Aesthetic to be lost within the mix and overshadowed by other women's apparel retailers.

The Millennial generation refers to those ranging in ages 22-37. There is debate about the exact age range of Millennials. (Cilluffo & D'Veira, 2018). Frey (2018) however, refers to Millennials as those ranging ages 18 to 34. Cilluffo & D'Veira (2018) report that Millennials make up the largest percentage of the U.S. labor force at 35%. Because this group is the largest on the labor force, targeting this group would be beneficial because they are acquiring income.

*Economic trends.* Compared to the rest of the world, the U.S. has the largest economy but ranks number nineteen in GDP per capita at \$55,800 (United States Population 2018, 2018). According to Women's Apparel Retailers Industry Insight (2018), "Americans

appear to be more confident about the economy and thus more willing to spend”. This may be because of personal income increase that the country is currently experiencing. In September of 2018, the U.S. experienced a \$35.7 billion increase in personal income, a \$29.1 billion increase in disposable personal income, and a personal consumption expenditure increase of \$53.0 billion, translating to an increase of 0.2%, 0.2%, and 0.4%, respectively (Personal Income and Outlays, September 2018, 2018). Glassman (2018) reports that, “Unemployment is at a 17-year low and the stock market’s record-setting bull run created more than \$7 trillion in new wealth last year, generating a surge in consumer spending”. That surge in consumer spending could translate to a surge in sales for Contemporary Aesthetic Inc. Despite the positive economic trends, there are other economic trends that may have a negative economic impact. Amadeo (2018) reports that due to climate change, the price of food has increased due to corn and soybean harvests have decreased because these crops do not produce a plentiful yield when temperatures are above 84 degrees. Rising sea levels, floods, droughts, and wildfires have worsened in recent years, causing millions, even billions, to be spent on dealing with the damaging aftermath (Amadeo, 2018). Lastly, Baby Boomers at retirement age are remaining in the workforce (Amadeo, 2018), which could be a reason for Glassman’s (2018) report that the aging population may be the reason behind a workforce with a slow growth rate.

***Social & cultural trends.*** Frey (2018) notes that 44% of Millennials in the U.S. are a person of color, where 13.9% are Black, 0.8% are Native American or Alaskan Native, 6.4% are Asian, 20.8% are Hispanic, and 2.3% are a combination of 2 or more races. Frey (2018) also reports that Millennials are taking a longer time to leave home, get married and have kids. Cilluffo & D’Vera (2018) wrote that in 2016, 64 million adults lived in a multigenerational household. In terms of consumer spending, this could translate to more disposable income due to

possible share living expenses. This is only in the case that more than one adult is contributing financially to the household. Cilluffo & D’Vera (2018) share that half of the U.S. population are married, with the rate of cohabitation rising. Cilluffo & D’Vera (2018) further states that there was a 3% increase, from 2007 to 2017, in adults not living with a spouse or partner.

***Legal trends.*** De Ramos (2018) mentions the November 2018 midterm congressional election and its importance being that Congress makes decisions that affect the people, such as healthcare. 2018 Midterm Voters: Issues and Political Values. (2018) talks about the recent increase in trade tariffs. This could affect industries that operate on a global supply chain, such as the apparel industry, by causing retaliation from the trading partners, or outright refusal to continue trade partnerships with American companies. This could translate to higher costs in either having to replace that trading partner. This could also translate to higher costs in the case of the trading partners raising their prices out of retaliation.

***Technological trends.*** According to DeMers (2017), a trend in technology for 2018 is digital centralization, where consumers can, “manage everything from as few devices and central locations as possible”. For example, devices like Amazon’s Alexa that acts as a personal assistant by retrieving information, playing movies or music, making orders and reservations, all through voice command. Another example is the smartphone. Smartphones have capabilities and applications that allow people to shop, manage finances, run businesses, take high-quality videos and photos, or watch television. Contemporary Aestheticc must maintain a channel that is compatible with digitally centralized devices so that it may effectively compete in the changing market. This will be a priority for the company in order to keep up. Bobriakov, (2018) wrote that Artificial Intelligence used in the development of machine learning models using algorithms has become a trend. This could be applied to the improvements in Contemporary Aestheticc Inc.’s

Information Systems operating efficiency.

### **Operational Assessment Tool.**

The operational assessment tool, which will be one of the features of the ERP system for the company, will be various productivity, efficiency, and sales monitoring modules of the system. The ERP system will have warehouse and inventory shop floor supervision, sales floor monitoring, and eCommerce traffic and sales monitoring features. These features will provide real-time reporting on the status of efficiency, productivity, sales, and revenue at the stores, eCommerce, warehouses, and other facilities within the supply chain, as referred to in the description of ERP system feature earlier in the paper. The company will be able to be monitored around the clock with these features, to make sure operations are running smoothly and on schedule.

### **Competitive Analysis**

Contemporary Aesthetic Inc.'s major competitors include Zara and H&M. Zara, one of the world's biggest international companies in fashion, housed under the world's biggest distribution groups, Inditex (Company, n.d.). The company was started in 1975 by Amancio Ortega, and currently operates over 2,220 retail doors, with located in 88 countries (Zara, n.d.). That is a 1,020 store lead that Zara has over Contemporary Aesthetic Inc. Zara (n.d.) also mentions that the retailer is known for their highly responsive supply chain, where a six-month design process is completed in three weeks, according to Petro (2018). Zara experiences slow growth due to their quick manufacturing process that is a trade-off for lower cost of production (Petro, 2018). Zara also has come across negative controversy that reveal their poor supply chain

supervision as it relates to social responsibility. In 2016, one of the production facilities that Zara sourced from in Istanbul, Turkey was abandoned by its owner who left workers struggling without pay (Segran, 2017). As a result, Segran (2017) reports that the workers had sewn notes into the Zara garments pleading for help. This incident shows that Supply Chain managers at Zara may not have been closely monitoring the human resource practices of its suppliers. In comparison, Contemporary Aesthetic Inc. will make it a priority to closely monitor the human resource practices of its suppliers.

H&M, also considered one of the world's largest fashion retailers, was established in 1947 and operates 4,750 stores. That is a 3,350-store lead over the number of retail locations of Contemporary Aesthetic, Inc. H&M offers men's, women's, and children's clothing, at affordable prices (H&M, n.d.). H&M (n.d.) also mentions that the retailer has experienced success with high-profile collection collaborations with celebrity designers. Controversies surrounding H&M's 2018 Children's campaign, show the company's poor marketing and promotion, as well as research and development operations. The campaign advertised a Black child wearing a "Coolest Monkey in the Jungle" sweatshirt (West, 2018), which gave off racist implications. Contemporary Aesthetic Inc. will use that as an opportunity to invest research and development, as well as marketing and promotion operations that are considerate to cultural sensitivities.

<b>Comparative SWOT Analysis</b>			
	<b>Contemporary Aestheticc, Inc.</b>	<b>Zara</b>	<b>H&amp;M</b>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• The USP: a modern twist on conventional apparel aesthetic</li> <li>• Use of operational strategies from various industries for innovation</li> <li>• Use of top-of-the-line, fully integrated MIS systems to aide in competitive efficiency and speed</li> </ul>	<ul style="list-style-type: none"> <li>• One of the biggest International fashion companies, belonging to one of the world’s biggest distribution groups</li> <li>• Known for a highly responsive supply chain – six-month design process competed in three weeks</li> </ul>	<ul style="list-style-type: none"> <li>• One of the world’s biggest fashion retailers</li> <li>• High-Profile collection collaborations with celebrity designers</li> <li>• Affordable</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>• Is smaller, has fewer locations, retail doors than competitors</li> <li>• Smaller brand recognition and brand loyalty than competitors</li> <li>• Offerings not as extensive as Zara or H&amp;M: Does not have maternity clothing or other brand extensions</li> </ul>	<ul style="list-style-type: none"> <li>• Slow on growth-higher costs</li> <li>• Controversies surrounding workers not being paid, and sewing notes begging for help into clothes – Poor inspection of supply chain players</li> </ul>	<ul style="list-style-type: none"> <li>• Controversies surrounding H&amp;M’s children’s clothing campaign tarnished brand image- Inadequate marketing and promotion operations</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Zara’s slow growth gives</li> </ul>	<ul style="list-style-type: none"> <li>• Create initiative towards social</li> </ul>	<ul style="list-style-type: none"> <li>• An attempt at an image rebranding</li> </ul>

	<p>Contemporary Aesthetic Inc. the ability to research and develop a model that allows for both a quick turnaround time and marginal growth</p> <ul style="list-style-type: none"> <li>• Zara’s poor supply chain supervision gives this company the opportunity to gain a competitive advantage over Zara with Social Responsibility initiative</li> <li>• H&amp;M's inadequate research and development and marketing and promotion operations give this company the opportunity to present itself to consumers as a culturally sensitive and caring fashion brand with inclusive, celebratory campaign ads.</li> <li>• Can enter other sub-markets not yet touched by</li> </ul>	<p>responsibility that targets the betterment of life for those workers affected by the Turkish apparel production facility</p>	<p>that highlights racial and cultural sensitivity</p>
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	<p>competitors, such as women with disabilities</p> <ul style="list-style-type: none"> <li>• Customize the MIS system to include Marketing and Promotion solutions for stronger, more integrated MIS capabilities</li> <li>• explore product offerings and features that benefit the target market, but are not usually offered by competitors</li> </ul>		
<b>Threats</b>	<ul style="list-style-type: none"> <li>• Being overshadowed so much that the company achieves no brand recognition, and is competed out of the market</li> <li>• Loss of market share less expensive substitutes</li> </ul>	<ul style="list-style-type: none"> <li>• Other Retailers finding ways to make their design process quicker to market than three weeks</li> <li>• Slow growth could lead to the inability to financially sustain the business in the long-term</li> </ul>	<ul style="list-style-type: none"> <li>• Image rebranding could be a failure. The consumers may not see it as genuine.</li> </ul>

**Marketing/Promotional Trends**

Contemporary Aesthetic Inc. is targeted to Millennial women. One trend of Millennial women is through social media. According to Richards (2017), 81% of women in the United States, ages 18 to 34 say that, “social media is the most effective way for brands to reach

them”, with 40% being through the Instagram social media platform. Millennial women also have a large spending power, which is expected to grow. Why Millennial Women Buy (2018) states that, “on the whole, millennials represent a major market force in terms of buying power, spending \$200 billion per year”, and are, “expected to represent the largest spending power of any generation (2018)”. This means that the company is targeting the group that will be capable of spending a great amount with them. Why Millennial Women Buy (2018) also states that Millennial women spend at a higher velocity and volume, as exhibited in Figures 6 and 7. There are a variety of factors that influence the purchasing decisions of millennial women. The top three factors, according to Millennial Women Have Strong Purchasing Power. What Influences It? (2018), include price being the biggest factor at 87%, customer ratings & reviews at 83%, and overall value at 75%. A full graphical representation of all of the factors is displayed in Figure 8.

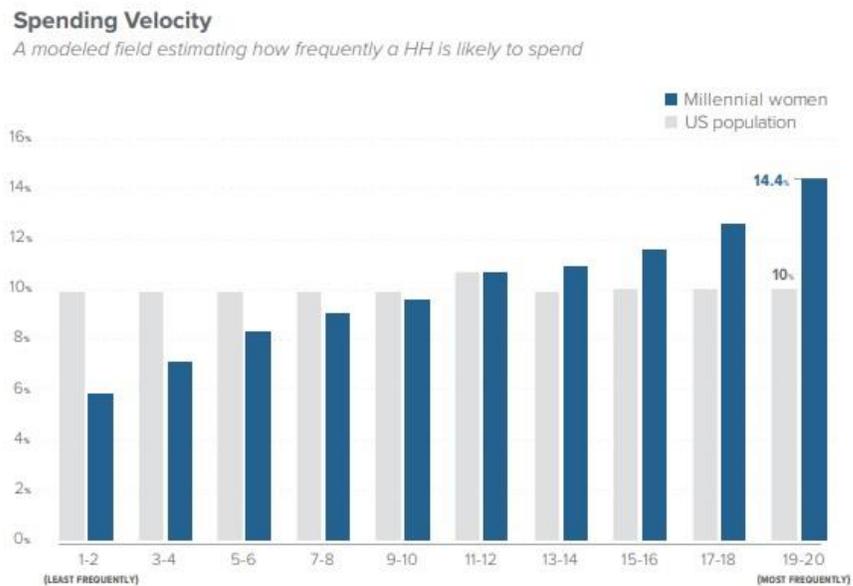


Figure 6, Spending Velocity of U.S. millennial women vs U.S. Population

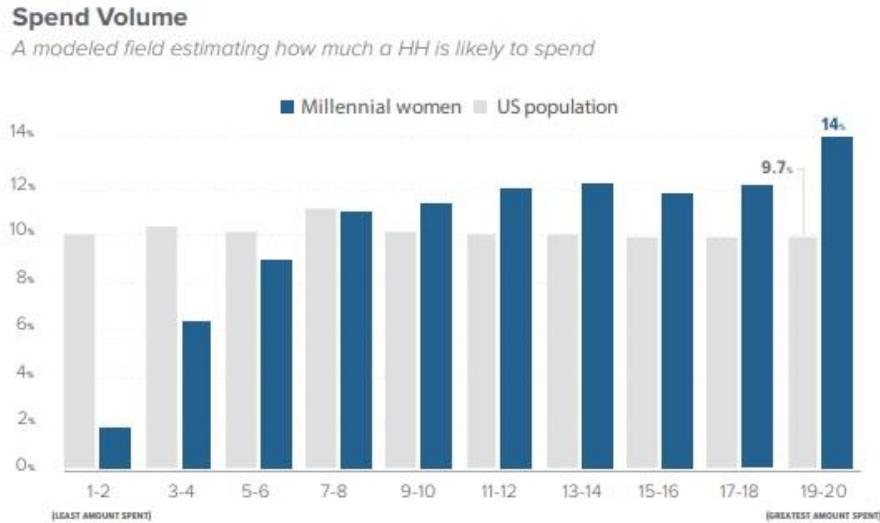


Figure 7, Spending volume of U.S. millennial women vs U.S. Population

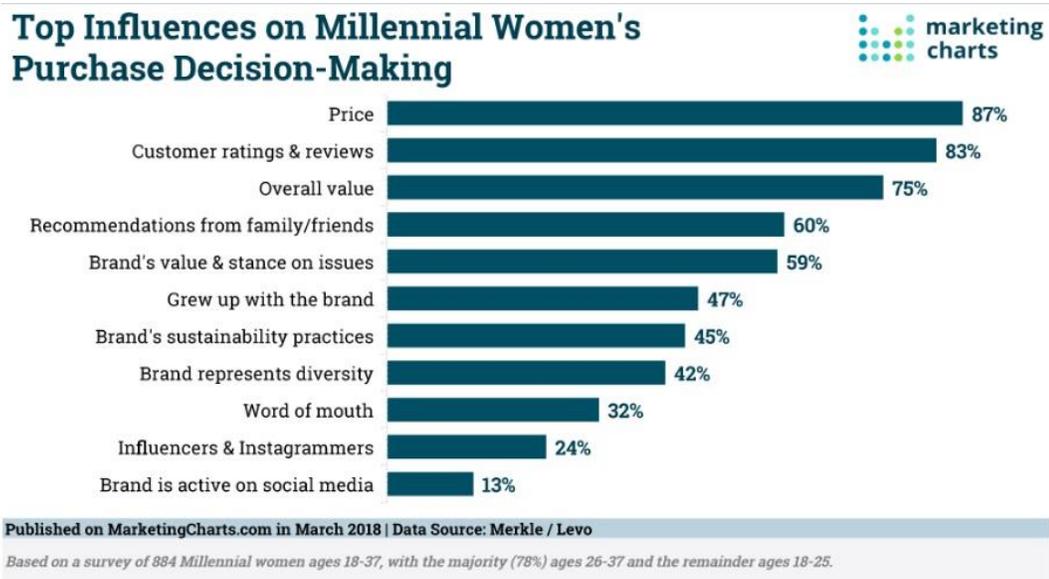


Figure 8, Purchase decision influences of millennial women

According to Business Trends for 2018: What You Need to Know to Stay Competitive (n.d.), expert advice is a trend for businesses to have a competitive advantage. Influencer Marketing is another competitive trend for businesses. Business Trends for 2018: What You Need to Know to Stay Competitive. (n.d.) writes that 90% of people trust their peers versus the 33% of people that trust traditional advertisement. This may be a reason for the

success of a wide range of fashion bloggers on social media that are contacted by brands to do reviews of their clothing and products. The influencer marketing, as well as the expert advice, are two tactics that Contemporary Aestheticc will implement into their marketing operations.

### **Segmentation and Targeting the Customer**

As stated before, Contemporary Aestheticc Inc. is targeted to the apparel needs of Millennial professional women. Using VALS consumer types, the Millennial women group will be segmented even further. Of the eight VALS consumer types, as shown in Figure 9, three of the profiles fit the profile of a Contemporary Aestheticc Inc. consumer. Those types are the Innovators (8% of the population), Experiencers (12% of the population), and Strivers (13% of the population) (VALS-2 Segment Characteristics, n.d.). According to Lynch (n.d.);

- Strivers are described as, “trendy, fun-loving, and motivated by achievement; cares about the opinion and approval of others; favor stylish products that are like those consumed by the wealthy; active and compulsive consumers”
- Experiencers are those who are, “motivated by self-expression; young, enthusiastic, and impulsive consumers; avid consumers that spend a large percentage of their income on fashion, entertainment, and socializing; enjoy looking good and having cool stuff”.
- Innovators are described as, “sophisticated, successful, take charge, with high self-esteem; change leaders that are receptive to new ideas and technologies; very active consumers with purchase that are more upscale, and niche; Image is important for their expression for taste. Independence, and personality” (Lynch, n.d.).

Characteristic Snapshots Emphasize Important Differences by VALS™



Ideals			Achievement		Self-Expression		
Innovators	Thinkers	Believers	Achievers	Strivers	Experiencers	Makers	Survivors
Are confident enough to experiment	Plan, research, consider before acting	Believe in right/wrong for a good life	Have a me-first, my-family-first attitude	Are the center of street culture	Want to stand out	Are distrustful of government	Are the quiet rank and file
Are information ready	Are the old guard	Want friendly communities	Are fully scheduled	Live in the moment	Want everything	Believe in sharp gender roles	Are cautious and risk averse
Are future oriented	Enjoy historical perspective	Not looking to change society	Are peer conscious	Wear their wealth	Are spontaneous	Protect what they think they own	Use television as a window to the world
Are receptive to new ideas and technologies	Have "ought" and "should" benchmarks for social conduct	Have no tolerance for ambiguity	Are anchors of the status quo	Desire to better their lives; have difficulty in doing so	Have a heightened sense of visual stimulation	Want to "work" on their world	Take comfort in routine and the familiar
Enjoy problem-solving challenges	Use technology in functional ways	Have strong me-too fashion attitudes	Believe money is the source of authority	Experience revolving employment	Introduce new sayings	Have strong outdoor interests; don't want to be walled in	Are loyal to products and brands
Are self-directed consumers	Are not influenced by what's hot	Want to belong	Are committed to family and job	Are looking for a fun time	See themselves as very sociable	Are not concerned with being fashionable	Are analog not digital
Are keenly aware of others' self-interests	Follow traditional intellectual pursuits	Trust traditional sources; don't question authority	Value tech that provides a productivity boost	Are impulsive	Are first in, first out of trend adoption	May appear to be anti-intellectual	Place emphasis on preservation

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Figure 9, VALS

**Demographic & psychographic profile.** Contemporary Aestheticc Inc. is targeted to Millennial women, ages 22-35. Their education ranges from bachelor's degree to Post- Graduate Degree and are located in large Metropolitan cities of the United States, such as New York City and Los Angeles. Occupations include lower to upper-level corporate (white collar) positions, such as Product Specialists, Associates, and Managers. Income ranges from \$60-\$85,000 a year. Marital status ranges from single to divorced.

In terms of Psychographic profile, the Contemporary Aestheticc Woman is one who loves all things fashion and beauty related. She believes that presentation is everything, and that hers must set her apart. She has a very active social life and spends time with her peers going to various social events, museums, and theater shows. She is serious about her professional career

and her climb up the corporate ladder. She is a high achiever, and very goal-oriented. She is sophisticated, classy, and open-minded. She sticks to her morals but does not believe in forcing her morals or beliefs on others.

### **Unified Strategy Set**

#### **Technology**

Information Systems are an important tool for Contemporary Aestheticcs Inc.'s operational efficiency and seamlessness, information access, management, and flow at every level of the company, and communication between departments, retail channels, and other internal and external players. In fact, Information systems is a tool for competitive advantage for the company, because of the support it provides to enhance the strength and competitiveness of the company and its operations. The technology strategy for the company is to adopt an ERP system that meets the specific needs of the industry and the company itself. As mentioned in the Information Flow sub-section of the Marketing and Operational Plan, the system used will be fully integrated from the POS system to the chain, multichannel, with real-time information reporting on every level of the company and seamless communication between departments and supply chain players. The system will be further customized to include a marketing and promotion module, to make the functions more seamless and integrated.

#### **Store Operations**

The process of the division of labor will be a strategy for store operations. For brick-and-mortar locations, store operational tasks will be divided amongst employees, which will first require Human Resources to supply an adequate number of employees per task set or store task area. For eCommerce operations, groups of employees will be divided amongst tasks. This will be a

strategy used for focused task execution, increased efficiency, increased productivity, and data accuracy.

### **Pricing**

This company will use a Cost-Plus Pricing Strategy. This is where cost is based calculated based on costs, and plus a markup percentage (How to price your product: 5 common strategies, n.d.). This is the best strategy for the company because it is calculated to make sure the costs are covered.

### **Promotion and Advertising**

The company will utilize both traditional and non-traditional forms of advertising. Traditional advertising will come in the form of mini lookbook mailers of our collections to be mass mailed, and digital versions to be e-mailed internet and magazine ads. Non-traditional advertising and promotion will be in the form of collaborations with social media fashion influencers to advertise and review our brand and product. Referring to earlier in the paper where it was noted that millennial women can be best reached through social media. We will take it a step further and attempt to use influencers as brand ambassadors. Other forms of non-traditional advertisement and promotion are social media accounts that allow the company to interact with consumers. This relates to the values of the customer segment in that Strivers are described as trendy people who care about the opinion an approval of others, Strivers like to look good and have “cool stuff”, while image is important to Innovators. Social media influencers are those that wear and review the coolest, most updated trends, and are followed for their opinions of fashion and image. These factors are what could capture the attention and guide the shopping influence of all three groups to begin shopping with Contemporary Aesthetic Inc.

**Place/Positioning**

The brick-and-mortar locations will be positioned in a "clustering" arrangement. What this is, is when a business locates itself in close geographical proximity of other businesses in the same market. For Contemporary Aestheticc, Inc. because it is not as well-known as it's competitors, will locate its retail stores in areas where other women's apparel stores that cater to the Millennial women's market. This strategy will be effective because, when foot traffic brings shoppers to one popular location in the cluster, the company will be in the footpath of those shoppers, giving them the opportunity to experience the store. For online placement and social will be used as a positioning strategy tool. The influencers will promote and recommend the brand and products while plugging the eCommerce site address into their posts. This will cause their followers to look at the site and try to find what product the influencer was recommending on their post.

**Sustainability**

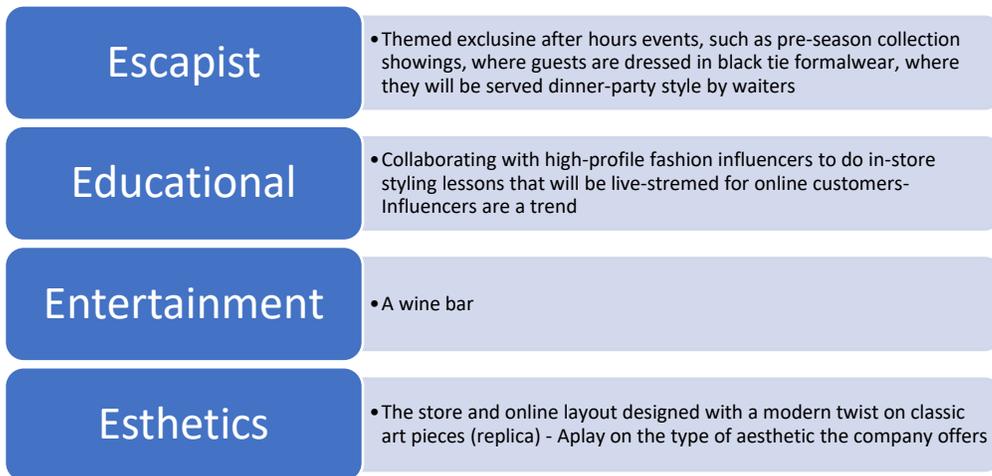
Sustainability initiatives for the company will take the form of biodegradable product packaging. More sustainable packaging is one way that the company will work against environmental waste. Another initiative would be to implement a recycling program for old clothing bought at the store. Customers will be able to bring in old clothing once bought at the store, where the item will be taken apart and used in the construction of new items. For example, a customer can bring in their old jeans, and they will be used to make handbag linings for next season's collection of handbags. This is also another way to cut down on waste. Instead of throwing the clothing away where it may sit and pollute a landfill, the clothing of Contemporary Aestheticc Inc. will be rebirthed into a new product.

**Customer Relationships/Service**

In the brick-and-mortar stores, using the division of labor in the operations will give employees a better opportunity to give improved customer service. For online and brick-and-mortar locations, the company will develop a rewards program that will offer discounts codes, exclusive event invitations, and occasional gifts with purchase. Until it is fully developed, however, the company will just begin with discounts based on purchase price. For online, the company wants to interact with consumers through social media. A team will be developed specifically for that purpose. Since millennial women are best reached through social media platforms, having a team designed specifically for social media marketing and accounts within the overall marketing department will be key in engaging and capturing the company’s target market.

**Experiential Elements**

Experiential elements will include the following;



### **Assessment and Suggestions**

Performance of the strategies would be assessed online by a before and after comparison of website visits, clicks, and purchases. For Brick-and-Mortar stores, a before and after comparison will be done of sales volume. Suggestions for the planning and buying team operations to enhance merchandise decisions and firm performance will go as listed below:

**Hire experts from other fields.** The company follows the competitive trend of hiring experts from fields outside of apparel and retail. This will be in terms of things like allocation strategies, and negotiations (for working with suppliers).

**Influencers...again.** Collaborating with social media fashion influencers to give their insight on what they would like to see will give the buying and planning team ideas on what styles to source. If followers know their favorite influencer had a hand in picking styles, could help move merchandise once it is sourced and shipped to stores.

**Study geographical information.** Study the markets in the geographic locations where the stores are located. What styles and sizes may be prevalent in the southern region of the United States, may not be in demand in the Midwest. Research deep into the individual geographic regions to learn what preferences are and what size ranges are needed more than others.

**Work closely with R&D.** Working closely with research and development will aid in smarter buying decisions. Not just from their reports, but from interacting closely with them as well. The R&D team will know the most about the customers being served, because they are the team that researches them, along with trends in the news, in culture, and society. The R&D team

will prevent a lot of damage control in the long run from sourcing products that are racially, culturally, or socially insensitive.

**Pay attention to what is on the clearance rack at the stores of the competitors.** It is not only smart to pay attention to the slow-moving merchandise at the team's own store locations, it is even smarter to review what is slow moving in the stores and online sites of the competitors. This will give a more in-depth view of what styles, prints, colors, and cuts to avoid, despite it being on the runway last season or not.

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