THE INVESTIGATION INTO CREATING AN ONLINE ACCESSORIES BRAND FOR THE LUXURY WOMENSWEAR MARKET: SAYSH BOUTIQUE

A subject dissertation and enterprise dissertation submitted to The University of Manchester for the Degree of Master of Enterprise (MEnt) in Textile and Fashion in the Faculty of Engineering and Physical Sciences

2010

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Acknowledgements

I would like to thank my supervisor Jonathan Styles for all the support, motivation, help and advice throughout the year
Abstract

This dissertation is a combination of a subject based study and an enterprise based study, which has attempted to analyse the process to set up as a successful online luxury accessories brand, catering for the UK womenswear market.

The subject side will be based on research, aiming to understand and investigate the online retail elements required to develop an online store for the business. Additionally, customisation in retail will be investigated in order to develop a business model for the brand, capturing the customisable elements of the value proposition. The research methodology will aim to shed light on this area to allow for a better understanding of the target market customers.

The enterprise side aims to evaluate how attractive the accessories market would be, and the viability of successes for the proposed business. Initially the project concept and USP are defined, leading to an outline of the proposed market for the business, with an understanding of the surrounding business environments and their impacts. Furthermore, identifying the implications for commercialisation of the business, proposing a business model for the venture, and a financial analysis will given a better understanding for the viability of the proposed business.
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1.0 Research proposal

1.1 Introduction

Saysh Boutique will be a new online accessories brand, primarily targeting the British Asian womenswear market for luxury accessories, specialising in digitally printed scarves. The UK accessories market will see a rise in sales in the next 5 years as the number of women with higher disposable incomes will increase. (Mintel, 2009).

The product range will include digitally printed scarves, and as the company grows the range will expand to include knitted scarves, bags made from recycled Asian fabrics and costume jewellery. The accessories collection will be bold, bright and quirky, with a multi-function purpose. The brand aspires to encourage women to experiment with fashion by transforming their look through simple alterations of each accessory, through the use of illustration tags provided. Saysh Boutique will primarily operate online and supply to stockists reflecting the brand image.

1.1.1 Product range and services

An alternative customisation service will be provided alongside the main R2W (ready-to-wear) collection, for clients to personalise the products to meet their individual requirements. In the range of scarves, this will allow clients to select pre-designed features such as borders, motifs, slogans and phrases from a selection of languages which can be added to the base scarf. Alternatively, clients will also be able to provide digital images to incorporate into the products.
Once the bag and jewellery ranges are launched, these products will also be customised in a similar fashion, where the base product will remain the same. However, the client will be able to choose from a selection of charms, attachments or embellishments. Although Saysh Boutique aims to position itself as a high-end brand, the customisation service will offer a wider price range and so aims to offer more affordable style and fashion for the wider target market.
1.1.2 Target market

The primary target market for Sash Boutique is the British Asian womenswear luxury market, as the products designed (the prints and influences) will be an expression of a dual/multi-cultural identity. However as the products can be customised (motifs, phrases and slogans from a selection of languages, or own digital images incorporated), they can also be targeted towards consumers from other cultures and backgrounds. Overall the products will appeal to women who are:

• Fashion savvy individuals: looking for individual and unique products, not afraid to make bold statements through the use of vibrant colours and accessories

• Young professional women: with a higher disposable income, who like to spend on high-end luxury brands

• Women who are proud of their dual heritage, and multi-cultural society

1.2 Research aims

The aim of the research is to:

• Understand and investigate the key electronic retailing (e-tailing) elements required to develop an online store for Saysh Boutique

• Investigate customisation in retail, in order to develop a business model for the brand, capturing the customisable elements of the value proposition (offering)
1.3 Research objectives

These will be broken down into two sections; Literature review one, and Literature review two.

Literature review one will aim to:

• Critically analyse the e-tailing elements required for an e-store design
  ◦ Background to e-tailing market
  ◦ e-store design elements
  ◦ e-marketing and promotion elements
  ◦ Future emerging strategies

Literature review two will aim to:

• Critically analyse customisation in relation to retail, from a customer and manufacturer perspective in order to build a customisation model suitable for Saysh Boutique
  ◦ Requirements for customisation
  ◦ Investigate customisation models
  ◦ Forms of customising available
1.4 Research methodology

Primary data collection methods will include:

- **Quantitative research**
  - Questionnaire: respondents matching the specified criteria (please see appendix 1) will be given access to the survey link, ensuring that a representative sample of the primary target market is obtained.

- **Qualitative research**
  - Focus group: participants will be selected at random from the group of survey respondents, ensuring the sample is representative of the primary target market.
  - In-depth interview: the participant will match criteria for the secondary target market (see appendix 2).

Secondary data collection methods will include:

- **External sources**
  - Academic Journals
  - Government statistics
  - Commercial research; Keynotes, Mintel, IMRG, Datamonitor, Emerald
  - Industry Information publications; Drappers, Vogue, WGSN

- **Internal sources**
  - Company websites
  - Company figures/reports
1.5 Structure of dissertation

Figure 1.3 Illustrates the structure of the dissertation, which will be divided into seven chapters.

Figure 1.3: Structure of dissertation (subject side)
1.6 Research outcomes

The primary research will impact the decision made in relation to the potential of the business success. Subsequently, from the secondary research (such as the literature reviews) one can begin to understand the e-tailing environment in order to set up an e-store, and an improved understanding of customisation in order to better fulfil the needs of the target consumers.

1.7 Limitations of research

It could be noted that there is limited literature available in relation to customisation in retail as this is a new developing concept, therefore up to date and current literature in this area is sparse. Similarly e-tailing is a new development, and although there is current literature available from research over the last decade, there may be gaps in relation to the full effects elements have on consumers. Finally the amount of data collected is a small sample, and a larger sample size would be required for further in-depth analysis of the research area.

1.8 Summary

This section has outlined the main aims and objectives of this research proposal. The next chapter will investigate academic research and literature in relation to e-tailing and developing an e-store design.
2.0 Literature review one: E-tailing and developing an e-store design

2.1 Introduction

‘E-tailing’ is the term given to ‘electronic retailing’ which involves the selling of goods over the internet, and is found to be a common terminology in the literature reviewed. This chapter seeks to investigate the academic research and literature available in relation to e-tailing; the online fashion market, the elements for creating a successful e-store design, e-marketing and promotion and emerging trends.

2.2 The online fashion market

Despite the recession, the online market has shown to be the most resistant to economic instability. The UK online market continues to grow rapidly, increasing by 26% to £4.12 billion in 2009 (Mintel, 2009). Furthermore ‘at a time when consumer spending is at a low, businesses in this sector appear to be thriving’ suggesting that consumers are shifting from bricks and mortar stores towards online retail (Datamonitor, 2009), with the average UK online shopper spending around £1,600 a year (IMRG, 2009).

Consumers have become much more price conscious, ‘making the sector highly price competitive’. Competitor rivalry has lead to retailers now offering convenient search facilities and price comparison features on their websites (Datamonitor, 2009). Furthermore, Mintel reports show a key development in the trends for online retailers who are offering discount websites. Debenhams, Net-a-porter and ASOS have all launched discount websites in response to consumer desire for fashion at more affordable prices (Mintel, 2009).

Research by Reynolds (1999) found that there were four main online motivational factors for online shoppers, which became known as Reynolds’ driving forces. These driving forces were consumer acceptance, technological progress, competition and legislative factors. This became known as web 1.0, which with the expansion of the internet has become highly saturated with
retailers and consumers. Online developments have now moved to web 2.0 with an emphasis on service and delivery.

2.3 E-store design

E-store design is vital as it portrays everything about the retail brand. Websites offer an interactive service, and so must go beyond offering just the elements that the traditional promotional mix offers. Dennis et al (2004) stated that the e-store design is part of the retail mix, which helps the e-retailer to market their business, and more specifically, to sell merchandise. Furthermore Tucker (2008) highlighted that ‘for any e-commerce retailer success is determined by the correct use of design’, as the website plays an integral role in attracting, sustaining and retaining customers (Chaffey et al, 2004) to differentiate from competition.

The design of an e-store is based on web attributes such as aesthetics, interactivity, and navigation, which all attribute to providing e-satisfaction for the consumer (Jayawardhena and Wright 2008, Kim et al 2009, Zhao and Dholakia 2009). Dennis et al (2004) also stated that the e-store design can be built upon by creating an environment through three key design dimensions; Navigability, Atmospherics and Interactivity (figure 1.4). These three dimensions together create the overall appearance of the website, which is a very important feature to add customer satisfaction. It also adds a hedonic value, known to increase customers’ intent to purchase and re-visit the website (Kim et al, 2009). These three dimensions must be further analysed in order to understand where the present stage of development is and where the next direction for e-store design is heading in the highly dynamic online environment.
Navigation is concerned with the facilities for accessing information and for moving around within the web (Bonson-Ponte et al, 2008). Navigability is an essential foundation for online retailers to aid consumer satisfaction and to encourage purchasing (Kim et al, 2009) and moreover, access of information is an important element in creating and retaining e-loyalty (Kim et al, 2009). Navigability is split into two factors; Search Classification and Interactive Viewing.

2.3.1.1 Search Classification

This helps to break down information, quickly and efficiently to ease the sale process. It is a key driver of online sales. Search classification features include:

- Search engines
- Categories and subcategories (search by look, style, occasion, item, band etc)
- Sitemaps
Categories and subcategories break down the information into relevant areas. Figure 1.5 is a screen shot example showing Net-a-porter’s horizontal menu, which is divided into brands; designers, boutiques, and other products. This aids the viewer to navigate the website much more easily, and is an important factor in creating a user friendly online shopping experience (Dennis et al, 2004).

Search engines provide the user with the option to type in key words, an alternative way to search for required information. For consumers, access of information is vital as it creates customer satisfaction which is known to aid the decision to purchase online (Kim et al, 2009). Additionally, IMRG (2009) reports revealed that navigability was amongst the top 10 desired features for consumers when shopping online.
2.3.1.2 Interactive Viewing

This provides a detailed view of the product before the purchase is made. Interactive viewing features include:

- Zooming and viewing; 2-D and 3-D rotational views, front/back/side views
- Enlarged images
- Product information and further details

Nikeid.com have a rotational zooming feature (shown in figure 1.6), where consumers can rotate the trainers as they would in-store in their hand, allowing for a more realistic impression.

![Rotational zooming](http://store.nike.com)

Figure 1.6: zooming options (http://store.nike.com)

These features play an important role in creating a more realistic idea of the product, and Sidique et al (2003) stated that this is a vital feature as it helps overcome the challenge that retailers face from consumers, which is the absence of trialling the products before consumers purchase.
2.3.2 Web Atmospherics

Atmospherics is a product-specific feature and has an emotional effect on the consumer. It is defined as ‘conveying an image to the desired consumer when marketing fashion items’ (Tractinsky and Lowengart, 2007), and creates the overall store ambience. This feature is split into two factors; Image Atmospherics and Lifestyle Media.

2.3.2.1 Image Atmospherics

Image atmospherics are used by e-tailers to create an ambience which will entice consumers and improve their shopping experience. Image atmospheric features include:

- Graphics
- Colour
- Homepage

Linguard (2008) stated that it takes consumers 0.05 seconds to decide to stay on the homepage or switch interest. Therefore acquiring the correct balance of colour and graphics is vital as the homepage reflects the brand image, and the first impression will impact consumers.

Some retailers such as ASOS and Net-a-porter (figure 1.7) use white background homepages for a clean, minimal appearance, whereas some such as Topshop (figure 1.8) use black for a more sophisticated and trendy feel. The use of colour is also important as it is known to affect the ‘online shopping experience and desire to stay online’ (Kim, Fiore and Lee, 2007).
Figure 1.7: White homepage background (http://www.asos.com/Woman/)

Figure 1.8: Black homepage background (http://www.topshop.com/)
2.3.2.2 Lifestyle Media

This is used by e-tailers to create the experiential shopping environment, through engaging consumers and promoting products. Lifestyle media features include:

- Multi-media demos
- Music
- Catwalks
- Display models
- Colour views

Increased bandwidths and internet developments have made the use of video links and catwalk clips (see figure 1.9) increasingly popular amongst nearly all pureplay (internet based) and multi-channel (internet and physical store) retailers.

Figure 1.9: Catwalk clips (http://www.net-a-porter.com)
Hong et al (2004) found that although there is limited research regarding the effects of video and catwalks in online shopping environments, many retailers are using these features to attract consumers’ attention. This could be due to the fact that e-tailers are trying to create the in-store experience online, as research has shown that consumers are attracted to in-store music and visual merchandising in display windows (Sen et al, 2002).

2.3.3 Interactivity Design

This is associated with engaging the viewer and is defined as the level of interaction on a website, which must be constantly monitored to ensure it is creating and providing customer e-satisfaction (Zhoa and Dholokia, 2009). Moreover research indicates that it can also lead to positive recommendations and the intent to purchase online (Manganari et al, 2009). Interactivity is split into two factors; Value-added Features and Fashion Inspiration. Eroglu et al (2003) found that through these two factors the ‘hedonic and experiential design elements’ can create the memory of shopping in the physical store.

2.3.3.1 Value-added Features

This factor provides a personalised relationship, and offers consumers further information before the purchasing stage. Value-added features include:

- Email updates
- Recommendations and suggestions
- Promotions
- Add on options

These features are all known to be effective design cues in delivering value and providing a personal relationship (Wind and Rangaswamy 2001, and McCormick and Vazques 2009). Some of these features are highlighted in figure 1.10 below.
Further research shows that emails and recommendations create a two-way relationship between retailers and consumers. Chaffey (2008) recognised this as an important feature, as he states that the greater the involvement and interaction consumers have, the greater the control retailers can have over the consumers’ experience.

2.3.3.2 Fashion Inspiration

This feature is used to create the fashion styling of the website, marketing of fashion trends, and delivering fashion advice to aid consumer knowledge about seasonal trends. These fashion inspiration features include:

- Fashion photography
- Trend information; look books, fashion forecasts
- Fashion advice; blogs, updates, daily fix information
Trend information helps the consumer find the relevant information quickly and efficiently, often in magazine page formats (figure 1.11) to bring together key pieces for the seasonal trend directions. According to Varadarian and Yadav (2002), by providing the consumer with greater and quicker relevant information, it can aid the relationship building between the retailer and consumer.

Figure 1.11: Trend information look books (http://www.net-a-porter.com/magazine)
Fashion advice and blogs are developing further from text and pictures to exclusive online TV style clips (figure 1.12), which offer advice on new collections and how the pieces can be worked into the latest seasonal looks. Chaffey (2008) found that this creates a ‘greater customer experience’ for the consumer and a sense of ‘being part of the extended brand family’.

![Figure 1.12: Online New Look TV channel](image)

2.4 E-marketing and promotion

E-marketing is defined as ‘achieving marketing objectives through applying digital communications technology’ (Chaffey et al, 2008) and a vital aspect of any online strategy.

McGoldrick (2002) developed five promotional communication objectives for retailers, which can be strategic (long-term to develop the store image), or tactical (short-term to attract customers and increase store traffic through promotions).
These five objectives are:

1. To win new customers
2. To increase expenditure from existing customers
3. To increase store traffic
4. To increase product sales
5. To develop the store image  

(Source: McGoldrick, 2002)

2.4.1 The Promotional mix

The communication elements of this marketing mix were developed into the promotional mix by Solomon et al (2008). The messages which consumers receive from the retailer differ in the amount of control the retailer has over the delivered message. Figure 1.13 below depicts the differing amount of control retailers have over the communication elements.

![Figure 1.13: Level of control retailers have over the communication elements](image)

2.4.2 E-marketing promotional mix

The online executions of these promotional mix elements were developed into the E-marketing Promotional Mix by Chaffey and Smith (2008) and Solomon et al (2008).
The diagram below (figure 1.14) shows the relationship between the online executions and the promotional mix elements.

(High Control) (Low Control)

1. Advertising: These features are visual and non-personal. They boost sales and give factual information about the brand. The advertiser does not pay until someone clicks on the link and is re-directed to the retailer’s site (Mordkovich and Mordkovich, 2007). Retailers will normally pay more to be displayed on the first few search pages as consumers will tend to look at these pages the most.

Figure 1.15: Google search for ‘silk scarves’: pay per click ads
Links which appear as sponsored links, highlighted or in separate columns (shown in figure 1.15), are strictly online retailers with niche products, so the retailer will pay more for these spaces. This helps to attract new customers, and increases store traffic, two of the five e-marketing objectives (McGoldrick, 2002). Furthermore, studies have found that retaining just 5% of customers would see a 25-95% boost in profits for online companies (Reicheld and Schefter, 2000). Banner ads are proving to be a popular e-marketing method as retailers now display banner ads on other websites, hotmail email pages (figure 1.16) and on main search pages.

Figure 1.16: Hotmail inbox-Banner ad

2. Sales Promotion: These features stimulate interest. Park and Lennon (2006) found that incentives such as discount codes, free shipping and gifts, appeal to price conscious consumers as they attract these consumers to the retailer’s website. Consumers are also motivated to switch to retailers who are using sales promotions to reward loyalty (Sun et al, 2003). Although this does build excitement and attract customers, it is a short-term technique and needs to be reinforced with other elements of the marketing mix to build future marketing and brand identity.

3. Personal selling: These features allow direct feedback, and more personal needs to be met. Cunningham at el (2001) stated that a sales person ‘facilitates the sales process by helping customers identify their requirements and then by identifying products/ service to best
meet these requirements’. As there is an absence of a human sales person online, Cunningham further suggests that ‘there is scope for development of virtual sales agents to fill these roles’.

Retailers such as IKEA are already using sales avatars (figure 1.17) to assist customer queries online, whilst others such as Ted Baker are using msn-style chat functions to assist the customer online. This strengthens the two-way communication between consumer and retailer, providing a more personal online shopping experience. Moreover, Chaffey (2008) states that ‘the greater the involvement of the consumer, the more control for the retailer over the consumer experience’.

4. Direct Mail: These features can be used to direct different customers more specifically. Chaffey (2007) found that this is an ‘effective way to reduce marketing costs by targeting customers more specifically with relevant messages and quicker response’. Mailing costs, and re-designing paper marketing is costly compared to marketing emails (figure 1.18) which can be adjusted accordingly. It is also more measurable with direct mail to see how and which customers to target. For example Tesco’s ‘click through’ Dove promotion
generated 28% of hits (35,000 hits). The information from these ‘click through’ customers was used to target other Tesco beauty products to boost sales and increase sale conversions.

Figure 1.18 hotmail inbox-Marketing emails

5. Public relations: Kruz and Fill (2008) define viral marketing as ‘informal peer-to-peer electronic exchange of information about a product or service’. The retailer has less control over these features, however if it is positive then good publicity can have a long-term effect. Consumers can independently pull information rather than being pushed with information or advertising from retailers. Email a friend options (shown in figure 1.19) are effective as it generates free publicity. Also research has shown that peer recommendations are highly trusted when consumers are unsure of purchasing something they unable to physically see (Smith, Menon and Sivakumar, 2005).

6. Word of mouth: The growth of high speed communication has increased the use of social media, where consumers can view and share information (Figure 1.19), at their own convenience, leading the way for word of mouth and viral advertising (Golan and Zaidner, 2008). Additionally the emerging social media has lead to further marketing opportunities
(Palmer and Koening Lewis, 2009), through the use of these features. However retailers have no control over these features, they can only be encouraged.

2.5 Emerging trends and developments: multi-channel, m-commerce, e-malls, sub-sites and social media

In less than a decade the internet has transformed from a file sharing facility between academics, to becoming an entertainment medium for practically anyone with access to a computer (Dennis et al, 2002). The number of people with access to the internet has increased, and IMRG (2009) reports show the average consumer now spends £1,600 online yearly.

Furthermore in 2009 around 18.21 million households had access to broadband (National statistics online, 2009). Work of researchers such as Kennedy and Coughlan (2006), Scott et al (2003), and Ellis-Chadwick et al (2002) highlighted that online retail developed in three distinctive phases, based on the way in which retailers and consumers communicate.
Stage one was a purely informative phase, where information was pushed to the consumer. In stage two, the process evolved and became transactional when consumers began to use the web as a shopping medium, and pull out information regarding prices and product comparisons. Now at the third stage, retailers can offer added value to consumers, and cater for niche markets (which is becoming a greater additional shopping medium). Price and product transparency has also created a one stop shop where consumers can compare products/services in one convenient place. There are four emerging trends which retailers are using (depending on their approach) to develop their e-commerce strategies.

2.5.1 Multi-channel retailing

Multi-channel retailing has been defined as retailers who ‘sell merchandise/services through multiple channels’ (Levy and Weitz, 2004), which include the traditional bricks and mortar store retailers (physical stores), catalogues and bricks and clicks retailers (who have physical stores as well as e-commerce stores). There have been several influencing factors in the development of this type of retailing, which include the development of technology, widespread availability of broadband, more media-rich online content, brand loyalty and consumers in search of a greater customer experience. IMRG (2009) report that multi-channel retailers were the most successful retailers during 2008, as it gives the consumers the option of which channel to purchase through, according to their preference. Retailers can also target larger demographics this way. Some high street retailers are using their websites to entice consumers but are not offering a purchasing facility, as customers still have to go in-store to purchase what they see.

Multi-channel retailing bridges the distance between online and physical stores, coinciding with research covered earlier in e-store designs, which covered challenges from consumers such as the absence to trial products and hesitation to buy due to lack of contact, which pure play retailers face. Furthermore Vankatisan, Kumar and Ravishanker (2007) state that it is essential
to retail via multiple channels in order to remain competitive in current dynamic retail environment.

2.5.2 M-commerce

This is defined as any ‘retail purchase made from a mobile electronic device’ (Dennis et al, 2004). As 3G technology increases bandwidth, reinforced speed and efficiency of data transmission is providing an opportunity for mobile value added features, which will also create revenue for providers (Kuo and Yen, 2008). 3G mobiles, I-Phones and Blackberries are creating an alternative network service which is increasing five times more than traditional internet penetration (IMRG, 2008).

Gucci was one of the first retailers to launch an I-Phone app (figure 1.20), which provides users with exclusive rights to products which can only be purchased through the app. It also provides a Gucci music channel and the ‘little black book’. This is used to directly target their customer market.

![Gucci app](http://itunes.apple.com/us/app/gucci/id334876990?mt=8)

However IMRG (2009) reports show that overcoming mobile commerce fraud is essential as long distance selling is based on trust. It is possible that the same type of chip and pin facilities
which are being used when logging into banks, will be extended to help retailers overcome fraud online.

Some retailers such as M&S are trialing new Mobile Multi-Colour Composite codes (MMCC) on a range of products (figure 1.21). This is a new technology where consumers can upload 2-D ‘barcodes’ onto their mobile internet for further product information. These codes have the ability to store videos, pictures, texts and other multi-media.

![Figure 1.21: MMCC (http://threeminds.organic.com/2009/03/)](image)

2.5.3 Shopbots/ e-malls

Shopbots are used by e-consumers to identify, locate and compare products (Rowley, 2000). Examples include compare the market.com, confused.com, and Keloo.co.uk which is fast becoming UK and Europe’s biggest e-commerce website advertising platform (after Amazon and Ebay). Here, consumers can select several products to view together to compare features, prices, rating and view blogs. This helps consumers find information quickly and efficiently to help facilitate the sales process in the absence of a sales assistant (Cunningham et al, 2001).

E-malls combine and bring together separately owned e-retail sites onto one single location (figure 1.22). Each individual e-tailer pays rent to the central management (Dennis, 2004). Although this may seem time consuming or confusing to some consumers as so many brands
are placed together, from a retailer perspective it provides a platform for advertising and association with other similar brands on one site.

![E-mail example from Brand Alley](www.brandalley.co.uk/)

**Figure 1.22:** E-mail example from Brand Alley (www.brandalley.co.uk/)

### 2.5.4 Sub-sites and Social Media

The emergence of social media has lead to greater marketing opportunities (Palmer and Koeing-Lewis, 2009). Utilising these tools is seen to be vital in order to reinforce the consumer-retailer relationship, making consumers feel part of the extended brand family. Online social media can be used successfully by retailers to interact closely with their target consumers (Cachia et al, 2007).
Facebook, MySpace, Twitter and Bebo are all social media tools which can be used to target specific marketing, consumers or demographics. Juicy Couture is an example of one such retailer, using social media tools to target their consumers. The brand has launched a page on their website called ‘Club Couture’ (figure 1.23) where their customers have to first register, allowing them exclusive access to the page to create looks and share these with other registered fans.

![Juicy Couture's Club Couture page](www.juicycouture.com)

Figure 1.23: Juicy Couture’s Club Couture page (www.juicycouture.com)

Subsites offer another platform for exposure and can target specific consumers. For example, Net-a-Porter have the ‘OutNet.com’ which is an extension of the current strengths, catering for fashion conscious consumers but specific for price sensitive consumers. These subsites must build on current strength, and have relevance to the target consumer in order to expand the brand experience.
2.6 Summary

2.6.1 E-store design

Figure 1.24 summarises the e-store elements investigated, which according to academics, have overlapped to create a new customer offering for a hedonic online experience. Saysh Boutique must draw upon these elements and incorporate the relevant aspects in order to create a successful e-store design for its target market.

![Figure 1.24: summary of e-store design elements; creating a hedonic experience](image)

- **NAVIGABILITY**
  - Categories and sub divisions
  - Detailed views

- **Atmospherics**
  - Graphics
  - Colour
  - Homepage

- **HEDONIC EXPERIENCE**
  - Product description
  - Email
  - Interactive features
  - Music
  - Catwalks

- **INTERACTIVITY**
  - Suggestions
  - Recommendations
  - Trend information

Product specific elements; emotional effect on consumers
The e-store design elements are important to draw together and create the overall store design. Each dimension touches upon offering and creating an experiential and hedonic value, which is known to create the memory of the physical store (Erogulu et al, 2003). Research shows that the lack of direct contact made consumers hesitant to buy online (Ha et al, 2007), however e-tailing is taking a new shift towards hedonic aspects (Koufaris et al, 2002) as customers desire more than functionality (Jawardhena and Wright, 2009). Furthermore interactive features are overcoming the absence of a physical store advisor, which plays an integral role in facilitating the sales process (Cunningham et al, 2001). Customers are consequently feeling more confident to shop online and this will ultimately create satisfaction and e-loyalty.

2.6.2 E-marketing and promotion

Figure 1.25 summarises the e-marketing and promotional elements which can be used by retailers in a strategic (long-term) or tactical (short-term) manner, depending on the company’s marketing and promotional goals.
Although retailers have less control over strategic elements, research has shown that they influence and encourage consumers to accept the brand and services provided. PR and word of mouth are the most effective elements to deliver the brand’s marketing and promotional goals. Once the business is developed, Saysh Boutique will need to analyse the promotional mix to select the most appropriate elements and the correct balance for its target customers and market segment.

### 2.6.3 Future strategies

Figure 1.26 summarises the key emerging trends analysed in the literature, and their effectiveness from a retailer perspective.

<table>
<thead>
<tr>
<th>Most Effective</th>
<th>Least Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multi channel retailing:</strong> Integration between channels is the most effective to remain competitive and vital to offer consumers choice.</td>
<td><strong>M-commerce:</strong> Growth of mobile bandwidth and reinforced speeds will see more retailers using m-commerce and multicolour composite codes to target specific customer segments.</td>
</tr>
<tr>
<td><strong>Subsites &amp; social media:</strong> Social media is growing with the use of the internet and 3-G phones. This is effective in targeting growing niche consumers and extending brand experience.</td>
<td><strong>Shopbots &amp; e-malls:</strong> This is popular for price comparison companies and for price transparency. It is more convenient to search online in ‘one-stop-shops’. E-malls are being used by some retailers, but may not be as effective due to time constraints of consumers.</td>
</tr>
</tbody>
</table>

Figure 1.26 Key future strategies for retailers; most effective and least effective
This chapter has investigated the online retail environment. The technology developments, internet expansion and increasing internet speeds are leading to interesting propositions for consumers. Retailers are moving across channels to create a stronger brand identity and brand awareness. This is leading to an improved online experience through customer satisfaction, convenience and enjoyment (through entertainment elements), which is enhancing the customer-retailer relationship. Although Saysh boutique will be primarily retailing online, the brand can also retail across channels, by finding appropriate stockists where the products can be promoted. This will have to be further investigated through the research methodologies used (chapter three), in order to find the most appropriate channels for integration with the online store. The next chapter will investigate customisation.
3.0 Literature review 2: Customisation

3.1 Introduction

The previous chapter focused on the first research object in relation to e-tailing. This chapter will focus on customisation. The current market is full of increasing product choices for consumers. McKenna (1991), states that technology has transformed our choice, and as a consequence choice has transformed our market. The increase rate of the range of products produced, also known as product proliferation, can be monitored to find demand patterns in the market (Bardakci and Whitelock, 2003). Product proliferation came to a global peak in the 1990’s. For example, from the 1970’s to the 1990’s, the choice of TV screen sizes had increased from 5 to 15, Levis jeans styles increased from 41 to 70, and cereals from 140 to 340. Over the last decade, technological improvements have further led to the ability of meeting customer demand individually, a concept which has become known as mass customisation, offering much more customer choice.

This process of mass customisation (or individual customisation), is concerned with ‘determining the needs and wants of target markets and delivering the desired satisfactions more effectively’ (Kotler at el, 1996), and ultimately minimising competitor rivalry. This requires market segmentation, in which individual segmentation and mass customisation have also become known as ‘finer segmentation’ (Davis, 1996, Kara and Kaynak, 1997), where each customer is seen as a segment and is treated individually by ‘fulfilling his/ her unique needs and desires’ (Wiggins, 1995 and Pine et al, 1995). Davis (1996) further states that through customisation a large number of customers can be met, and treated individually by ‘meeting the tailored needs of individual customers’.

Pine (1993) found that the niche markets are evolving to shift power to the buyers, who are now demanding high quality products which closely match their individual desires. Furthermore, Kotha (1995) and Webster (1996) agree that consumers are now demanding more accurate and specifically tailored responses to their needs and preferences. Customisation is a relatively new concept, and so academic literature in this topic is limited. This literature review will seek to understand the process from a customer and manufacture point of view, in order to gain a better overall understanding of the dimensions, models and theories available to capture and adapt customisable features into a model fit for the business.
3.2 Basic requirements for mass customisation

Most products and services offer average design requirements, mainly because they follow product-centred mass production, focusing on the factory production capabilities. Pine et al. (1995) found that for this reason, advertising and marketing strategies focused heavily on pushing options available, hoping that customers would accept these given options. However, this is what the company is offering as opposed to giving what the customer actually desires. Where mass production focuses on one segment at a time, mass customisation on the other hand aims to serve each customer individually. Mass customisation identifies the dimensions in line with the customer needs and requirements rather than offering basic options (Gilmore and Pine, 1997). Westbrook and Williamson (1993) define customisation as making tailor-made products at individual requests, where every aspect, even from the base components, is given a range of options. Hart (1995) defines this from a company perspective, where it is seen as providing customers ‘with whatever they want, whenever they want it, wherever they want it and how they want it’. Therefore the fundamental aim of customisation is to produce a product or service which gives exactly what the customer requires.

Mass customisation builds upon an interdependent customer-retailer relationship, which begins at the sale stage (Toffler, 1980, and Webster, 1996). Similarly, Peppers (1995) states that customisation requires customers teaching the company what their preferences are in order to be given options which meet their needs. This method meets most of the customer’s requirements, as opposed to products driven by market competition, satisfying limited customer requirements whilst being exposed to a wider target market. Mass customisation is therefore considered as being much more customer driven (Peppers and Rogers, 1997).
3.2.1 Driving factors

Technological, production and communication factors are all drivers of mass customisation from consumer and company perspectives, however there are also additional driving factors which lead to the success of mass customisation.

3.2.1.1 Four structural changes

Researchers agree that there are four main structural changes which influence and encourage mass customisation. (Kotler, 1989; Peppers and Rogers, 1993; Hart, 1995; Pine, 1993; Pine et al, 1993; Westbrook and Williamson, 1993; Kotha, 1996; Feitzenger and lee, 1997; Gilmore and Pine, 1997). These four structural changes are inter-related as they can influence each other, and are shown in figure 3.1. Heterogeneous (varied) demand can obstruct market predictions, consequently making demand unpredictable and resulting in uncertainty of customer requirements and needs for both the retailer and consumer. This uncertainty will eventually lead to a change of new needs and requirements. Product life cycles are further shortened by mature markets, where customers opt for luxury over functionality, and this will subsequently create more conscious consumers in the market place.

![Diagram showing the four structural changes](image)

Figure 3.1: Driving factors of customisation; four structural changes
This shift from functionality to luxury allows innovative demand, which feeds product proliferation. Pine, (1993) and Kotha, (1995; 1996) agree that the more the innovative demand is segmented, leading to product proliferation, the more successful mass customisation will be.

3.2.1.3 Filling the gap

Researchers agree that products designed for general consumer markets with common attributes create a ‘customer sacrifice gap’, which is the difference between the company’s offering and the customers’ actual need and desire (Gilmore and Pine, 1997; Peppers and Rogers, 1993, 1997; Hart, 1995; Whitely and Hessen, 1996). A number of sacrifice gap examples include:

- high costs
- inconvenience
- hassle factors
- ordering difficulties
- discomfort
- unfulfilled needs/ requirements

Moreover, Peppers and Rogers (1995) found that the footwear market had a potential for customisation due to the differences in sizes, which some consumers face between feet. The solution for this problem can be found through custom footwear retailers, who measure each foot individually and hold 670 sizes for women and 780 sizes for men, as opposed to the 24 sizes available through the typical footwear retailers.

In addition to this, their later research (Peppers and Rogers, 1998) discusses Levis Strauss & Co also offering customisation for jeans, where customised jeans can be made with individual measurements for women who do not fit the generalised sizes in the market. They stated that this allows ‘around 49,500 different sizes and 30 styles giving a total of nearly one and a half million options available’. So in essence the greater the customer’s sacrifice gap, the greater
the opportunity for a customised offering (Bardakci and Whitelock, 2003). Furthermore, Pepper and Rogers (1997) argued that satisfaction gaps lead to negative effects on consumer loyalty and hinder customer retention.

### 3.1.2.3 Retaining customers

Bardakci and Whitelock (2003) agree with other researchers that ‘customer retention is the key in the market’, and mass customisation seems to be ‘increasing customer satisfaction and hence customer retention’. Additionally, successfully retaining customers requires a learning relationship, by learning from the customers and maintaining a good retailer-consumer relationship (Pine et al., 1995). These learning relationships also provide an advantage to businesses to obtain and retain information, creating up to date customer databases (Whitley and Hessan, 1996), which would enable the company to better cater the needs of their customer, and consequently maintain the customer loyalty.

Many businesses face the problem of customer retention, where lack of information can not only cost the company their customer, but also result in a missed opportunity to cater for and identify potential valuable customers (Peppers and Rogers, 1997). Figure 3.2 illustrates four major facts, which researchers agree are the foundation for customer retention.
It is known that acquiring new customers can be five times more costly compared to retaining current customers (Kotler, 2000). Customer satisfaction in the product or service can lead to re-visiting the brand, increasing brand loyalty. For this reason it is vital to build a reputable image, as research shows that negative recommendations spread faster than positive recommendations. Whiteley and Hessan (1996) found that on average ‘happy customers will tell three others about their satisfaction’ however ‘dissatisfied customers will tell up to nine’. By keeping customers happy and increasing just 5% customer retention, businesses can reap increased profits up to 25-85% (Kotler, 2000).
Customisation gives an opportunity to involve customers in the design process and developing the product, therefore there is a greater chance of customer satisfaction with the product, which can ultimately lead to customer loyalty (Peppers and Rogers, 1997). Furthermore in 1993, Peppers and Rogers argued that customisation would allow product differentiation, which would be a growing phenomenon for the success of businesses in the future. Other researchers also agree that mass customisation will offer a new horizon for already saturated markets and declined growth demand markets (Westbrook and Williamson, 1993; Yolovisch, 1993; Kotha, 1996). Additionally, Kara and Kaynak (1997) state that ‘in order to satisfy today’s customers, the best way is to treat each individual demand schedule individually’.
3.3 Driving towards a customisation model; the theory

3.3.1 Three key assumptions

Throughout the study of mass customisation, there have been three key assumptions upon which the theory of mass customisation and the requirements (as mentioned previously) have been based. Levitt (1983) stated that ‘these assumptions appear to negate the call for global standardisation of products’. Figure 3.3, illustrates the three assumptions.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Demand Fragmentation increasing</td>
<td>This has reached such an all time peak that even niche markets have become too broad to satisfy. Market segmentation is no longer homogeneous, individual needs and requirements vary customer to customer. (Kotler, 1989 and Pine, 1993).</td>
</tr>
<tr>
<td>2. Customers; seek best Value for money</td>
<td>Customers are looking for quality, not necessarily low prices, but want the best value for their money. Customers are looking for their exact needs/desires, and for these to be matched accordingly. (Pine, 1993, Pine et al 1995 and McKenna, 1997).</td>
</tr>
<tr>
<td>3. Technology advancement; allowing more efficient supply</td>
<td>Technology advancement and developments in production methods have reduced the minimum efficiency scale in operations, allowing efficient supply to smaller markets / individuals. (Davis, 1996; Pine, 1993; Anderson and Pine, 1997; Peppers and Rogers, 1997).</td>
</tr>
</tbody>
</table>

Figure 3.3: Three main assumptions of customisation theories
Emphasis must be placed in particular on assumption two, were customers are willing to compromise on price to achieve the best value for their money. Bardakci and Whitelock (2003) suggest that although no theoretical framework can be found from literature, to assess whether customers are ready for customisation, there is evidence to suggest customers may face three inconveniences, which may hinder assumption two.

3.3.2 Inconveniences

Kotha (1995) and Flynn (1999) argue that although there are debates suggesting mass customised products can be produced at mass production costs, in reality, recent evidence suggests that mass customised products are more expensive to produce. However Flynn (1999) explains that customers will have a higher perception of value for a custom made product, as the product will match their desired needs (Pine, 1993). Another inconvenience is that customised products cannot be delivered at the point of sale, as time is required to match the customer’s preferences to complete the final product at the desired level (Davis, 1996 and McKenna, 1997). Therefore the customer has to be willing to wait for custom made products, however waiting too long could make the customisation lose its value (McKenna, 1995). Additionally, customisation requires customer involvement, where the customer must be willing to spend some time in the design process (Pine et al, 1995).

3.4 Brief overview from a production perspective

The point at which the customer is involved in the production cycle, determines the level of customisation taking place (Mintzberg, 1988). This will also determine the configuration process (modularity approach) and which technologies can be employed in the designing and manufacturing process of the customised product (Duray et al, 2000). McCutcheon et al (1994) stated product differentiation at a production stage is a key variable in the decision making process, where customers choices may influence the customisation process. Similarly Duray et
al (2000) argues that ‘the point of customer involvement in the production cycle is a key indicator of the degree of customisation provided’.

3.4.1 Degree of customisation; point of customer involvement

Duray et al (2002) defined the production cycle as including four elements; design, fabrication, assembly and use. A highly customised product involves customers at the early design stages of production. If options are made available to customise only at the final assembly stages of the production cycle, then the customisation will not be as great. This can be seen in figure 3.4

Degree of customisation in relation to point of customer involvement:

High degree of customisation

Low degree of customisation

PRODUCTION CYCLE

Design Fabrication Assembly Use/delivery

(Source: Durey et al, 2000)

Figure 3.4: Degree of customisation in relation to point of customer involvement

3.4.2 Three forms of customisation

Mintzberg (1988) categorised three forms of customisation, known as pure, tailored or standardised. Each form has a difference in the involvement of the elements in the production cycle, and degree of differentiation of the product. Figure 3.5 shows these three forms, where the type of customisation the retailer chooses will determine the point and level of customer involvement in the production cycle, and ultimately will impact the degree of customisation.
It can be seen that pure customisation has the highest degree of customisation, where the whole product meets the customer requirement. Standard customisation on the other hand has the lowest degree of customisation, where only an arrangement of predetermined components creates the customisation.

**Figure 3.5: Three forms of customisation**

1. **PURE:**
   - Products specially designed and produced for individual customer
   - Involves customers in whole production cycle = highly customised product

2. **TAILORED:**
   - A basic design altered to meet specific customer requirement
   - Involves customer at fabrication stage, where standard products are modified

3. **STANDARDISED:**
   - Final product assembled from a predetermined set/list of standard options/components
   - Involves customer at assembly and delivery stage of production cycle through given standard options
3.4.3 Modularity in production

Mass customisation requires product differentiation, but this must be provided cost effectively by achieving economies of scale. Most researchers agree that this can be achieved by modularity. Durey et al (2000) states that ‘the concept of modularity is a basic building block in the manufacturing situations traditionally considered to be flexible’. Pine (1993) also proposed that modularity in production is key to customisation, although he did not specify how or where modularity should be used in the process. Furthermore, Baldwin and Clark (1994) suggested that production should be partitioned to bring in modularity, to allow economies of scale across the production process. Additionally, McCutcheon et al (1994) stated the best way in which to provide speed and variety would be to use modularity in the production process, which would take the pressure off high customisation demands when customers seek greater variety and competitive delivery timings. Furthermore, a modular approach to production reduces the variety in components offered, however a greater range of end products can be produced (Durey et al, 2000).

3.4.3.1 Flexible manufacturing systems

Flexible manufacturing systems (FMS) can be used to achieve lower cost customisation through utilising some degree of modular product design. Fast manufacturing set-up can be accomplished by using program modules for each product characteristic in FMS designed products. The program modules aid repeat sequence manufacture across the product cycle stages, allowing modularity for new product designs (Duray, 2000). Moreover, Ulrich (1992) stated that the variety in products can be increased through modularity, which can also reduce delivery lead times and produce economies of scale. Pine et al (1995) further added that modularity had to be included in the components and processes used in the customisers’ production and delivery strategies in order to be successful. Researchers agree that modularity can be utilised to increase the product features whilst minimising costs. Therefore words the success of customisation lies in effectively using modular product designs. As Ulrich and Tung (1991) suggested there are several forms of modularity which can be incorporated
into various forms of FMS. These types can be used individually, or alternatively they can be combined to create the customised product. Figure 3.6 shows the different forms of modularity which can be used in production.

Using Levis jeans as an example, we can take one form of modularity to show the example of custom made jeans in ‘cut to fit’ modularity. The ‘made for you’ jeans are available in a limited size range of 0-18 for the customisation process. Levis use a FMS allowing them to cut each individual pattern before the stitching and sewing process begins. The individual patterns are based on their signature five pocket jean style which can be altered (cut to fit) to the individual customer requirements.

Figure 3.6: Modularity types (Ulrich and Tung, 1991).
Durey et al (2000) adapted these modularity types into the production cycle in order to show how the concepts would be operational. These operational concepts are shown in figure 3.7, and have been applied at relevant stages of the production cycle.

High degree of customisation  Low degree of customisation

Degree of customisation in relation to point of customer involvement:

PRODUCTION CYCLE

1. Design  2. Fabrication  3. Assembly  4. Use/delivery

Modularity in production:

MODULARITY TYPES

Component sharing

Cut-to-fit

Components are originally designed or alterations of standard designs

Component swapping

Mix, Bus, Sectional

Components are standardised and repeatable

(Source: adapted from Durey et al, 2000)

Figure 3.7: Operational concepts at relevant stages of the production cycle

Stages 1 and 2: Design and fabrication stages:

During these phases of the production cycle, differentiation can be achieved through making alterations to the modules or fabricating them to the customer’s requirements. The ‘cut-to-fit’ and ‘component sharing’ modularity must take place during design and fabrication stages as both involve originally designing the components or modifying the standard components available. In ‘cut-to-fit’ the components are altered/modified to the customer’s given dimensions. This requires fabrication of a component which is standard but excludes a precise
dimension, for example length, which can be specified by individual customers. Therefore ‘cut-to-fit’ must take place in the design and fabrication stages. ‘Component sharing’ can also take place during these stages of production as the base component used can require additional fabricated components to meet the customer’s end product requirements. Using this form of modularity, incorporated into the standard base component, the fabrication stage of the production cycle is simplified and reduces the overall cost, which can lead to a more cost effective customised product.

Stages 2 and 4: Assembly and use:

In these later two stages of the production cycle, the modules/components can only be arranged or combined according to the customer’s requirements, alterations or fabrication cannot take place at these stages. ‘Component swapping’, ‘mix’, ‘bus’ and ‘sectional’ modularity use standardised components which do not require altering or modifying, but instead are combined to meet the customer’s specification. Therefore these modularity types can be combined at the latter two stages of the production cycle, offering customers customisation only through choice of standard components instead of allowing them to specify alterations or fabrication of the product design. Additionally ‘sectional’ modularity can be applied after the production cycle, where customers can combine components from various manufactures (e.g. electronic components).

3.5 Summary: Customisation from customer and production perspectives

This chapter focused on customisation from customer and production perspectives. When the modularity types and the point of customer involvement for differentiation is combined, mass customisation can then be put into practice (Durey et al, 2000). Furthermore research has shown that customer involvement is vital for the customisation process, and modularity can allow restricting the options available to minimise product variety. This allows repetitive and flexible manufacture for economies of scale in mass customisation. Moreover product
differentiation is determined by the degree of alteration or combination of components to produce a range of products.

The type of modularity used will also establish the type of customisation used, which will be an important factor to determine for Saysh Boutique. A ‘pure customised’ product can be at a higher cost to the customer, however meeting all the specified customer requirements will increase customer satisfaction. On the other hand, using standardised base components allows a ‘mass customised’ product to be made at reduced cost and with consistent quality. So the type of customisation offered also depends on how much the customers will be willing to pay. Some questions in relation to the customer’s perspective to customisation have come forward from the literature studied:

‘Will customers agree to pay more for a product which meets their requirements?’

‘If so, then how much more are they willing to pay?’

‘Which pre-designed elements would customers want?’

‘How long is the customer willing to wait for their product?’

These questions can be directly applied to Saysh Boutique and will need further investigation. This can be incorporated into the survey, interview or focus group of the research methodology. The next chapter will investigate relevant research methodologies to take forward.
4.0 Research Methodology

4.1 Introduction

Several questions have derived from the previous chapter which need to be addressed through the research methodology in order to meet the research objectives in relation to consumer behavior towards customisation. However due to limitations in available research relating to the primary target market, it seems necessary to focus the research methodology upon the primary target market. Knowing the customer better will allow Saysh Boutique to cater for their needs more specifically.

There are two categories of research; primary research which is acquired first hand by the researcher, and secondary research which is collected from other sources already available. (The latter has been covered in chapter two: the literature reviews and in the second half of the dissertation in chapter two: market issues). This chapter will focus on obtaining primary research.

4.2 Qualitative and quantitative data

The main research methods undertaken consist of gathering qualitative and quantitative data. Quantitative data is useful when requiring statistical information for numerical purposes, and can be recorded by graphs, pie charts, bar charts, and maps. Qualitative data on the other hand, focuses on gathering opinionated data from real feelings. The methodology used to conduct this research will consist of a combination of qualitative and quantitative data collection techniques.
4.3 Deciding on a market

Before selecting which research methods to employ, one must distinguish whether the aim of the market research is for an existing market or a new market. Table 4.1 displays the options for the research methods which may be implemented, depending on the nature of the chosen market, highlighting the chosen market for this research. The aims of the research and strategy must also be outlined, and have been previously covered in the aims and objectives of the research proposal.

Table 4.1: Research table (Baron and Shane, 2007)

<table>
<thead>
<tr>
<th>MARKET RESEARCH:</th>
<th>EXISTING MARKET</th>
<th>NEW MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philosophy of market research</td>
<td>Deductive data analysis</td>
<td>Intuition, inductive reasoning</td>
</tr>
<tr>
<td>Techniques for gathering market research (customer information)</td>
<td>Focus groups</td>
<td>Industry experts</td>
</tr>
<tr>
<td></td>
<td>Surveys/questionnaires</td>
<td>Trend extrapolation</td>
</tr>
<tr>
<td></td>
<td>Field market research</td>
<td>Future scenarios</td>
</tr>
<tr>
<td></td>
<td>Mall studies (observe)</td>
<td></td>
</tr>
</tbody>
</table>

Although Saysh Boutique aims to target its products to a niche market, this is an already existing market, and so deductive data analysis will be carried out.

4.4 Data collection methods and limitations

Several data collection methods will be combined to gather the research data, however each of these methods has its advantages and disadvantages which need to be taken into account.
4.4.1 In-depth interviews; advantages and disadvantages

In-depth interviews are defined as where ‘the respondent feels free to say whatever they like on the broad topic, with minimal prompting by the interviewer’ (Miller and Crabtree, 1999). There are several advantages of conducting in-depth interviews. Valuable insights can be uncovered to offer further information of the topics discussed. Furthermore respondents are more likely to disclose information on a one-to-one basis and quality data can be obtained by the interviewer responding and probing for more detail. Further more Baker (2003) states that ‘the lack of peer pressure allows respondents to express unconventional opinions without fear of sanctions, mockery or embarrassment’. There is an added convenience factor of conducting the interview over the phone, which is also an option. Additionally, when deadlines and time is limited, data collection can be obtained faster than any other research method (weeks rather than months).

On the other hand, there are also disadvantages and limitations of this method. The data gathered can be ambiguous, making analysis time-consuming and difficult to comprehend. The quality of data depends on the skill of the interviewer, as less skilled interviewers may have bias interviewing techniques. Moreover, the data gathered is on a smaller scale, as the number of in-depth interviews is usually 10-15 interviewees.

4.4.2 Questionnaires and surveys; advantages and disadvantages

The main advantage of using questionnaires and surveys is that large quantitative data can be gathered for statistical information in regards to the target customers’ age, population, backgrounds, incomes etc. Furthermore this can be easily constructed using online resources such as ‘Survey Monkey’ and ‘Question Pro’ which are free to use. Online surveys also allow easier distribution as the survey can be sent via email or other forms of social media such as Facebook, LinkedIn and links pasted on relevant internet forums and blogging sites.
Questionnaires can seem boring for participants and so it is important to use a variety of question types to keep interest.

Such types include ranked questions, a mixture of open and closed-end questions, multiple choice, grouping and like-scales to keep the participant involved and alert. Care must be taken however in writing the questions to avoid ambiguity. Using double questions and involving negatives should also be avoided in order to circumvent being bias.

The biggest disadvantages of using a survey is the time it will take to generate results and poor response rates, as respondents have a perception of surveys being personally unbene...
is a greater chance of being bias. Finding a representative sample and sufficient people can also prove difficult and time-consuming. There are also possible expenses associated, which may occur due to paying participants for their time or reimbursing the participants for their expenses. Another disadvantage may be that participants could feel influenced by others (peer pressure), or some participants may be too talkative compared to others who keep their opinions guarded.

4.4.4 Observation and field market research; advantages and disadvantages

Observation is used by retailers view customers from a distance, to assess patterns such as how long customers browse, what they might buy and general behaviour related to the product and purchase. The advantage of conducting observations is that it can help reveal certain buying patterns. Cooper and Schindler (2001) stated that ‘observation allows the researcher to view every day behaviour that would otherwise be taken for granted, expected or go unnoticed’. However the disadvantage is that the reasoning behind actions cannot be justified by simply by observing, and the skill of the researcher plays an integral role to ensure that the data collected is not bias.

The advantage of conducting field market research is that first hand experience can be gained about the competitors’ products, quality and design. However this will only reveal current trend information of what is available at the present moment. Field market research will be conducted in competitor stores and online, to gather information regarding competition, product comparison, and website features.
4.4.5 Sampling

A Facebook group will be created where respondents meeting the set criteria for the target market (see appendix 1) will be invited to gain access to the online survey link. Members will be able to invite others who also meet the criteria, and this will ensure that a representative sample of the target market can be obtained. The questionnaire will target a small sample of the primary target market, in order to gather first hand statistical data, and to identify any target market trends such as buying motivations.

The focus group participants will be selected at random from the Facebook group. This will ensure that the focus group remains a representative sample of the target market in order to identify product related information. An interview from a potential customer from the secondary target market will also be conducted. The customisation literature review revealed that the nature of bespoke customisation allows each customer to become their own market segment, and so the interview data can be treated as being representative on an individual basis of the secondary target market customer.

4.5 Research approach

Table 4.2 illustrates the research objectives as outlined in the proposal, and which data collection methods will be undertaken to meet these objectives. The use of this information will prove vital to assess the potential of the business success, and will be incorporated into the relevant chapters shown.
Table 4.2: Research matrix; objectives, research methods

<table>
<thead>
<tr>
<th>Objectives:</th>
<th>In-depth Interview</th>
<th>Focus Group</th>
<th>Online Survey</th>
<th>Field Market Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Customer background/Statistics *</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>2. Shopping behaviour (in-store and online) *</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>3. Product design</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>4. Customisation *</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>5. Website design *</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

* These objectives have been partly achieved through secondary data from external and internal sources (literature reviews: subject side and the market issues: enterprise side). However it was felt necessary to obtain primary data for these objectives, in order to further elaborate and find primary information for the niche market.

4.5.1 Online survey

Table 4.3 shows the questions which will be used in the online survey in relation to the impact and relevance each question will have on the research undertaken (for full questions and survey please see appendix 3). A facebook group will also be set up, explaining the purpose of the survey, and the target market criteria so that invited members can request others to join and participate in the survey. The survey will be created using the Manchester Business School Qualtrics survey software, which will require requesting a guest account for access. Once set up, it will be distributed by email, and posted on relevant pages on facebook (The Official Asian Woman Magazine page, BBC Asian Network page, Young Asian Women in Business, UK) LinkedIn (professional working women’s groups), and internet forums/ blogging sites (Asian forum.co.uk which is the UK’s largest online Asian forum).
The online survey will be divided into three parts, table 4.3 shows the questions from part one with the justification of the questions addressed to participants, and the relevance and impact of each question on the research undertaken.

In part one, questions will relate to personal information about the customer, to gather data on demographics, and statistical information about the target market. This can be used to better target the potential customers as well build a customer profile (for the enterprise side of the dissertation).

Table 4.3: Part one of online survey; gathering target customer data

<table>
<thead>
<tr>
<th>Question:</th>
<th>Type of question:</th>
<th>Relevance:</th>
<th>Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. which age range do you fall into</td>
<td>Multiple choice</td>
<td>Statistical market information</td>
<td>Identify potential customers</td>
</tr>
<tr>
<td>2. What is the highest level of education you have completed</td>
<td>Multiple choice</td>
<td>Statistical market information</td>
<td>Builds customer profile</td>
</tr>
<tr>
<td>3. Please state your occupation</td>
<td>Own response</td>
<td>Statistical market information</td>
<td>Build customer profile</td>
</tr>
<tr>
<td>4. Please indicate marital status</td>
<td>Drop down options</td>
<td>Statistical market information</td>
<td>Understand customer lifestyle</td>
</tr>
<tr>
<td>5. What is your current residential status</td>
<td>Drop down options</td>
<td>Statistical market information</td>
<td>Builds profile</td>
</tr>
<tr>
<td>6. What is your gross personal annual income range</td>
<td>Multiple choice</td>
<td>Statistical market information</td>
<td>Build profile</td>
</tr>
<tr>
<td>7. If applicable, please indicate partner/spouse annual income (gross)</td>
<td>Optional question, multiple choice</td>
<td>Statistical market information</td>
<td>build profile</td>
</tr>
</tbody>
</table>
8. How many children do you have (including step-children)  
   Drop down menu  
   Statistical market information  
   • Build profile  
   • Understand any impacts on finances

9. When thinking of your identity, which term would you prefer to best describe yourself  
   Multiple choice  
   Statistical market information  
   • Build customer profile  
   • Understand backgrounds to better target customers

In part two the questions will aim to gather information about how the customers accessorise, preferred design elements to express identity, and their interest in customisation.

Table 4.4: Part two of online survey; gathering information on accessorising

<table>
<thead>
<tr>
<th>Questions:</th>
<th>Type of question:</th>
<th>Relevance:</th>
<th>Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Please rank which styles are ‘more you’ when thinking of accessorising</td>
<td>Drag and drop</td>
<td>Information on how customers accessories</td>
<td>• Can facilitate marketing products</td>
</tr>
<tr>
<td>2. If you could express your identity in terms of design, please rank which elements you would choose in order of importance</td>
<td>Drag and drop</td>
<td>Information on how customers could express their identity in terms of design</td>
<td>• Can help selecting which options given for customisation</td>
</tr>
<tr>
<td>3. If you were given the opportunity to customise an accessory with these elements to express your identity</td>
<td>Drag and drop</td>
<td>Information on top customising elements for customers</td>
<td>• Can narrow down customisable options given</td>
</tr>
</tbody>
</table>
4. Would a personalised or customisable accessory (ie: scarf, bag, jewelry) appeal to

<table>
<thead>
<tr>
<th>Question</th>
<th>Type of question</th>
<th>Relevance</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you ever purchased DESIGNER/NON-DESIGNER accessories online? Please state YES or NO with a brief reason to WHY</td>
<td>Text response</td>
<td>Consumer behaviour</td>
<td>Distinguish online/store business strategy for products</td>
</tr>
<tr>
<td>Which of these DESIGNER/NON-DESIGNER accessories are you most likely to buy ON-LINE? Please place the given accessories in relevant boxes</td>
<td>Drag and drop to groups given items (most likely, least likely and maybe/not sure)</td>
<td>Consumer behaviour</td>
<td>Distinguish online/store business strategy for products</td>
</tr>
</tbody>
</table>

Part three will be split in two sections, and the questions will remain the same as they will relate to shopping behaviour for accessories in-store and online. However the parts will be divided by questions for designer accessories, and non-designer accessories.

Table 4.5: Part three of online survey; consumer behaviour for purchasing a) designer and b) non-designer accessories in physical stores and online
### Questions and Analysis

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th>Response Type</th>
<th>Consumer Behaviour</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>How important are the following when purchasing DESIGNER/NON-DESIGNER accessories?</td>
<td>Options given a scale of 1-100 for most important to least important</td>
<td>Consumer behaviour</td>
<td>Will impact marketing, branding and design of products</td>
</tr>
<tr>
<td>4.</td>
<td>How many times in 1 month do you make DESIGNER/NON-DESIGNER accessory purchases ON-LINE</td>
<td>Multiple choice</td>
<td>Consumer behaviour</td>
<td>Will impact business strategy for products</td>
</tr>
<tr>
<td>5.</td>
<td>How many times in 1 month do you make DESIGNER/NON-DESIGNER accessory purchases from a PHYSICAL STORE</td>
<td>Multiple choice</td>
<td>Consumer behaviour</td>
<td>Will impact business strategy for products</td>
</tr>
<tr>
<td>6.</td>
<td>How much do you spend monthly on DESIGNER/NON-DESIGNER accessories? Scale from £0-1000</td>
<td>Monetary scale provided to drag arrow along the bar to a value</td>
<td>Consumer behaviour</td>
<td>Will impact pricing strategy for products</td>
</tr>
</tbody>
</table>

Two additional questions will be placed in section a) designer accessories, specifically to determine whether multi-function and personalised/customised designer accessories will appeal to the target market.
Table 4.6: Part three a) consumer behaviour for purchasing designer accessories

<table>
<thead>
<tr>
<th>Question:</th>
<th>Type of question:</th>
<th>Relevance</th>
<th>Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Would a 2-in-1 type multiple use DESIGNER accessory appeal to you</td>
<td>Drop down menu</td>
<td>Statistical data on customer need and potential of niche market</td>
<td>Reinforce purpose and existence of the business</td>
</tr>
<tr>
<td>2. Would a personalised or customisable DESIGNER accessory (e.g. bags, jewellery, scarves) appeal to you</td>
<td>Drop down menu</td>
<td>Statistical data on customer need and potential of niche market</td>
<td>Reinforce purpose and existence of the business</td>
</tr>
</tbody>
</table>

4.5.3 Focus Group

Table 4.7 Shows the questions which will be used in the focus group in relation to the impact and relevance they will have on the research undertaken. The focus group participants will be selected at random from the members of the facebook group set up for the online survey, ensuring that the participants are representative of the target market.

Table 4.7 Focus group and interview questions

<table>
<thead>
<tr>
<th>Questions:</th>
<th>Relevance</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How often do you purchase a designer/ non designer accessory</td>
<td>Buying patterns and behaviour</td>
<td>Can target customers better</td>
</tr>
<tr>
<td>2. How much would you spend (average per month on a designer/ non designer accessory)</td>
<td>Buying patterns and behaviour</td>
<td>Pricing strategy for products</td>
</tr>
<tr>
<td>3. Which accessories do you buy the most any why</td>
<td>Buying patterns and behaviour</td>
<td>target customers with better selection of product range</td>
</tr>
<tr>
<td>4. What do you look for in an accessory e.g. functionality</td>
<td>Buying patterns and behaviour</td>
<td>Product range and design can meet</td>
</tr>
<tr>
<td>Question</td>
<td>Table</td>
<td>Notes</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>5. How would you describe your personal dressing style</td>
<td>Consumer information</td>
<td>Improve styling of products, website and overall feel of brand</td>
</tr>
<tr>
<td>6. When thinking of your identity (cultural identity), how would you best describe yourself</td>
<td>Customer information</td>
<td>Build customer profile, understand backgrounds to target customers effectively</td>
</tr>
<tr>
<td>7. If you could express your identity in terms of design, which elements would you choose e.g. colour, motif, pattern, slogans</td>
<td>Design development</td>
<td>Can help selecting which options given for customisation</td>
</tr>
<tr>
<td>8. Looking at the following designs, which do you feel you can best relate to, in terms of what was just previously mentioned in reply*</td>
<td>Product design</td>
<td>Customisation options</td>
</tr>
<tr>
<td>9. Looking at the most popular chosen designs please comment on what you like, and if given the option which elements would you chose to customise</td>
<td>Product design and development</td>
<td>Design improvement and customisation options</td>
</tr>
<tr>
<td>10. Would a personalised or customisable designer accessory (e.g. bags, jewellery, scarves) appeal to you</td>
<td>Potential of niche market</td>
<td>Reinforce purpose and existence of the business</td>
</tr>
<tr>
<td>11. Looking at these development website pages, please comments on how you feel towards the overall look, style, layout and any suggestions for improvements</td>
<td>Website development</td>
<td>Improved website features to better facilitate marketing, branding and selling merchandise online</td>
</tr>
<tr>
<td>12. The price of this product (scarf) is between £90-140. How much are you willing to pay?</td>
<td>Product price</td>
<td>Marketing of product, price of product</td>
</tr>
<tr>
<td>13. How much more will you want to pay for your desired customisation?</td>
<td>Price of customisation</td>
<td>Price range</td>
</tr>
<tr>
<td>14. How long are you willing to wait for the customised product (scarf)?</td>
<td>Service offered</td>
<td>Design and delivery time</td>
</tr>
<tr>
<td>15. How long are you willing to spend to customise your product (scarf)?</td>
<td>Complexity/simplicity of customisation offered</td>
<td>Customisation model implemented</td>
</tr>
</tbody>
</table>
4.5.4 In-depth Interview

As the customisation literature review revealed, all customers for customisation can be seen as individual market segments, and so an in-depth interview will also be conducted. The format of the in-depth interview will follow the focus group, with the same questions. This will aim to draw further light on the type of customisation features customers may request, as well as aim answer the questions which were bought forward from the customisation literature review.

3.5.4 Field market research

Additional field market research will be carried out, for competitor research regarding products, price, materials, quality, USP’s and designs.

3.6 Summary

The results gathered from the methodology used will prove vital to assess the potential of the business success, and to begin to understand the primary and secondary target markets. Relevant primary data gathered from the subject side will also be utilised in the enterprise side (please see appendix 4 for break down of the chapters in the subject side and enterprise side where the research can be found).

This chapter focused on outlining the research methodology which will be undertaken in the next chapter, which will display the representation of data obtained.

5.0 Results

5.1 Introduction
This chapter will illustrate the representation of the results obtained through the primary data, gathered from the online survey (appendix 3), focus group (appendix 5) and interview (appendix 6). The online survey obtained a total of 51 responses from the primary target market, of which 42 were fully completed (9 invalid as left incomplete). The duration of the focus group conducted was 45 minutes, and consisted of 4 potential consumers from the primary target market. The interview was conducted face to face with a potential customer from the secondary target market, the duration of which was 10 minutes.

The results will help to make rational judgements and reasoning behind motivational factors and buying patterns of accessories, as well as prove useful to help create a customisation model fit for the business. The results from part one of the survey (demographics) will also be used to develop the client profile in the enterprise side of the dissertation.

5.2 Results from online survey

5.2.1 Demographics
Part one of the survey was designed to gather data on the target market. Information gathered included demographics of age, marital status, dependents, and incomes.

Figure 5.1 shows the most common age range of target market sample.

From figure 5.1 we can see that:

- 29% (12 respondents) was 21-25 years
- 43% (18 respondents) was 26-30 years
- 14% (6 respondents) was 31-35 years
- 12% (4 respondents) was 36-40 years
- 2% (1 respondent) was 41-45 years.
Figure 5.2 illustrates the level of education respondents have received.

From figure 5.2: we can see that:

- 2% went to High school (1 respondent)
- 17% went to College (7 respondents)
- 60% have a Degree (25 respondents)
- 17% have a Masters Degree (7 respondents)
- 5% have a Doctorate (2 respondents)

Figure 5.3 shows the most common marital status of the sample target market.
The results from figure 5.3 show the most common marital statuses:

- 62% are single (26 respondents)
- 29% are married (12 respondents)
- 2% are separated (1 respondent)
- 7% are divorced (3 respondents)

Figure 5.4 shows the gross annual income of the married respondents’ spouses (responses from 12 women).
Figure 5.4: Gross annual income of partner/spouse

From figure 5.4 we can see that:

- 8% earn up to £10K (1 respondent)
- 38% earn £10K<£20K (5 respondents)
- 15% earn £20<£30K (2 respondents)
- 15% earn £30<£40K (2 respondents)
- 8% earn £50<£60K (1 respondents)
- 8% earn £70<£80K (1 respondent)
- 8% earn £80K+ (1 respondent)

Figure 5.5 shows the gross annual income of respondents.
Figure 5.5: Gross annual income of respondents

From figure 5.5 we can see that:

- 2% earn up to £10K (1 respondent)
- 44% earn £10K<£20K (18 respondents)
- 27% earn £20<£30K (11 respondents)
- 12% earn £30<£40K (5 respondents)
- 5% earn £40<£50K (2 respondents)
- 5% earn £50<£60K (2 respondents)
- 2% earn £70<£80K (1 respondent)
- 2% earn £80K+ (1 respondent)

Figure 5.6 shows the residential status of the respondents.
The results from figure 5.6 show the most common residential status of the sample:

- 48% Owner/mortgage (20 respondents)
- 33% Living with parents (14 respondents)
- 19% live in rented furnished accommodation (8 respondents)
- 0% live in unfurnished rented accommodation
- 0% live with their in-laws

Figure 5.7 shows the number of children respondents have.
Figure 5.7: Number of children respondents had.

The following information can be taken from figure 5.7:

- 79% have 0 Children (33 respondents)
- 5% have 1 child (2 respondents)
- 12% have 2 children (5 respondents)
- 2% have 3 children (1 respondent)
- 2% have 5 children (1 respondent)

Figure 5.8 shows how the respondents best describe their ethnic origin.
Figure 5.8 shows respondents best described their ethnic origin as follows:

- 29% Asian/British Asian (12 respondents)
- 40% British Pakistani (17 respondents)
- 19% British Indian (8 respondents)
- 10% British Bangladeshi (4 respondents)
- 2% Other (please state) (1 respondent: British Kashmiri)

5.2.2 Influential factors for marketing products
Respondents were asked to drag and drop 6 dressing styles which they felt would be ‘more them’ when accessorising their own dressing, by ranking the responses as 1 being the ‘most them’ and 6 being the ‘least them’. Figure 5.9 shows the most popular dressing styles when accessorising, which were ranked number 1 in the following order:

1. Trend (13 respondents)
2. Sophisticated (9 respondents)
3. Fashion conscious (6 respondents)
4. Glamorous (6 respondents)
5. Unique (4 respondents)
6. Urban (4 respondents)

Figure 5.9: Order of preference when accessorising

5.2.3 Influential factors for design work
Respondents were given 5 design elements, and asked when expressing their cultural identity how importance each design element would be (1 most important, 5 least important). Figure 5.10 shows which design elements were thought to be most important when expressing cultural identity.

Figure 5.10: Design elements placed at no.1 when expressing cultural identity.

The following design elements were placed at number one:

- Colour (34 respondents placed this at number 1)
- Motifs (3 respondents placed this at number 1)
- Patterns (2 respondents placed this at number 1)
- Slogans (2 respondents placed this at number 1)
- Graphics (no-one placed this at number 1)

When asked which of these design elements they would choose if given the opportunity to customise an accessory, the ranking orders changed slightly.
The following design elements were placed at number one:

- Colour (28 placed this at number 1)
- Motifs (6 placed this at number 1)
- Patterns (4 placed this at number 1)
- Graphics (3 placed this at number 1)
- Slogans (0 placed this at number 1)

Figure 5.12 shows the proportion of respondents who would find a personalised or customisable accessory appealing.
Responses from this question show reveal that:

- 83% said yes (35 respondents)
- 14% said maybe (6 respondents)
- 2% said no (1 respondent)

5.2.4 Buying behaviour for non-designer accessories (online and in physical stores)

Figure 5.13 shows how many respondents have purchased non-designer accessories online at least once (See appendix 5 for brief reasons to yes and no in text response).
Respondents were given a selection of accessories and asked to group them (assuming they were non-designer accessories) in which they would be more likely, least likely and not sure to buy online. Figure 5.14 shows the results of this grouping.
Figure 5.14: Non-designer accessories respondents are most likely, least likely and not sure to buy online.

Respondents were most likely to buy the following non-designer accessories online:

- Bags (34 respondents)
- Jewellery (26 respondents)
- Scarves (25 respondents)
- Belts (16 respondents)
- Pashminas (7 respondents)
- Hair accessories (7 respondents)

Respondents were asked to drag a scale to rate how important 8 elements were when purchasing a non-designer accessory (0= least important, 100=most important). Figure 5.15 shows how important the elements are for the respondents when purchasing non-designer accessories.
Motivations for buying non-designer accessories

Figure 1.15: Motivations for buying non-designer accessories

Figure 1.16 shows how many times in 1 month respondents buy non-designer accessories from a physical store.

Figure 1.16: No. of times non-designer accessories are bough per month (in-store)

Figure 1.17 shows how many times in 1 month respondents buy non-designer accessories online.
Table 5.1 shows how much respondents spend on average, per month on non-designer accessories.

Table 5.1: Average monthly spend per month on non-designer accessories.

<table>
<thead>
<tr>
<th>Answer</th>
<th>Min Value</th>
<th>Max Value</th>
<th>Average Value</th>
<th>Standard Deviation</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item(s) Purchased</td>
<td>£20</td>
<td>£100</td>
<td>£53.10</td>
<td>25.16</td>
<td>42</td>
</tr>
</tbody>
</table>

5.2.5  Buying behaviour for designer accessories (online and in physical stores)

Figure 5.18 shows how many respondents have purchased designer accessories online at least once (See appendix 6 for brief reasons to yes and no in text response).
Figure 1.18: No. of respondents who had purchased designer accessories online

- 74% said yes (31 respondents)
- 26% said no (11 respondents)

Respondents were given a selection of accessories and asked to group them (assuming they were designer accessories) in which they would be more likely, least likely and not sure to buy online. Figure 5.19 shows the results of this grouping.
Respondents were most likely to buy the following designer accessories online:

- Bags (33 respondents)
- Scarves (33 respondents)
- Jewellery (28 respondents)
- Belts (18 respondents)
- Pashminas (10 respondents)
- Hair accessories (2 respondents)

Respondents were asked to drag a scale to rate how important 9 elements were when purchasing a designer accessory (0= least important, 100=most important). Figure 5.20 shows how important the elements are for the respondents when purchasing designer accessories.
Figure 5.20: Motivations for buying designer accessories

Figure 5.21 shows how many times in 1 month respondents buy designer accessories from a physical store.

Figure 5.21: No. of times designer accessories are bought per month (in-store)

Figure 5.22 shows how many times in 1 month respondents buy designer accessories online.

Figure 5.22: No. of times designer accessories are bought per month (online)
Figure 5.22: No. of times designer accessories are bought per month (online)

Table 5.2 shows how much respondents spend on average, per month on designer accessories

Table 5.2: Average monthly spend per month on designer accessories.

<table>
<thead>
<tr>
<th>Answer</th>
<th>Min Value</th>
<th>Max Value</th>
<th>Average Value</th>
<th>Standard Deviation</th>
<th>Responses</th>
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<tr>
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<td>£600</td>
<td>220.10</td>
<td>154.22</td>
<td>42</td>
</tr>
</tbody>
</table>

5.2.6 Buying behaviour for customisable designer accessories
Figure 5.23 shows how many respondents would find a personalised or customisable designer accessory appealing (i.e. scarves, jewellery, and bags).

Figure 5.23: No. of respondents who would find a customisable accessory appealing.

5.3 Results from focus group
There were 4 participants for the focus group from the primary target market, for the ready to wear range and general customisation service. All of the participants were British Asian females aged 22-29 and in full time employment (please see appendix 7 for full transcript of focus group).

5.3.1 Buying trends for designer and non designer accessories

Participants were asked how often they purchased designer (luxury) and non designer accessories. Responses included:

Participant 1: ‘Every 2-3 months when I’ve saved up enough, and non-designer…probably monthly, 2 or 3 items depending on whatever I seem to like’

Participant 2: ‘On non-designer purchases, about 5 times a month, and I can’t really afford to buy designer every month, so maybe once every 2 or 3 months. And I spend about £150-200 on that’

Participant 3: ‘Well it’s whenever I go shopping, it could be 2 weeks/3 weeks but it depends, whatever catches my eye really. It doesn’t really matter if its designer or non designer, if I like it I’ll buy it’

Participant 4: ‘Twice a month for non designer, and designer I’d say once a month or once every 2 months depending on how expensive the item was’

When asked how much participants would spend per month on designer and non designer accessories, responses included:
Participant 1: ‘On designer stuff I spend around £200-300 every few months, and non designer I’d say around £60-90’

Participant 2: ‘I spend about £50 a month on non-designer accessories, and about £150-200 on designer accessories every 2-3 months’

Participant 3: ‘For non-designer up to about £10-40, it’s just a quick fashion. For designer if it’s something I like it could be anything up to about £100-150’

Participant 4: ‘I’d pay on average anything between £10-30 for non-designer. And I’d pay…up to £200 for designer or luxury accessories’

Participants were asked which accessories they bought the most any why. Responses varied from practicality to fashion purposes.

Participant 1: ‘Erm…jewellery, bags, scarves, I have a lot of scarves (laughs), and shoes, definitely shoes. I don’t really have to have a reason to buy, I just like spending on whatever makes me happy’

Participant 2: ‘I think maybe things like bags, scarves, and jewellery because I think you can accessorise clothes to look different with them a lot more’

Participant 3: ‘Scarves and bags, because… it’s easier to match them with what you wear and you get more wear out of them’
Participant 4: ‘Scarves and handbags, because they go with anything. I love handbags so I don’t really need another reason for that (laughs), and I like patterns and prints and layering clothes, so scarves are a good option for me’

This was further probed by asking what participants look for in an accessory, to which they replied:

Participant 1: ‘Quality definitely, also the finishing if its designer. Other than that, for non-designer I’d say trends and price, because it’s a cheap fashion fix’

Participant 2: ‘Err... it got to be unique, it’s got to be fashionable and something that will make me look different to everybody else. Erm, and like colourful as well because I love bright colours’

Participant 3: ‘I think fashion as well as the actual label, the brand. That’s what I look at. If the brands good I know the quality will be good’

Participant 4: ‘Erm.. it’ll be more fashion for me’

5.3.2 Building target client profiles

Participants were asked how they would describe their personal dressing style. Responses included separate styles for work and evening looks, as well looking for something unique to personalise general styles.

Participant 1: ‘For daytime colourful, trendy, and casual/smart look. For the evening i like glitzy things; I’m bit of a magpie really (laughs). But whatever the occasion I like to add my own
signature style to whatever I wear, I like little things to personalise my clothes with brooches, or belts and charms on bags’

Participant 2: ‘I think I’m quite glamorous; I like stylish pieces in my wardrobe. Something that will last longer than current trends and fashion’

Participant 3: ‘My personal dressing style it’s just normal really, smart/casual. Cos I work full time I like dressing in day to evening looks. I mean like something that I can wear at work or during the day, but it can take me to evening too’

Participant 4: ‘Works very casual, a lot of greys and blacks but I like to throw something colourful on top to break it up. Going out, I dress a lot more glamorous and colourful coz I love colour’

The group was asked to think of their cultural identity, and how they would best describe themselves. Most respondents were specific in giving their exact ethnic Asian origins, where other preferred to generalise this.

Participant 1: ‘I would say British Asian, because I feel that being born here I have my own identity, which yeah has Asian roots but I don’t feel I can relate to being an Indian, Pakistani or anything else. I guess when you grow up around people from all sorts of backgrounds you get influenced by a bit of everything’

Participant 2: ‘I’d say British Asian’

Participant 3: ‘Err I would describe myself as a British Pakistani’
Participant 3: ‘Well...erm, well for me I feel I have a mixture being born here, I definitely feel I can relate to being British. But on the ethnic side a lot of it is based on my mum’s Indian culture coz I’m closer to her side, but my dad is Pakistani. Soooo, if I had to give it like an umbrella term, I’d feel more comfortable to say British Asian’

5.3.3 Influencing factors for design work

The group was asked to think of design elements such as colour, motif, pattern, and slogans. They were then asked which design elements they would choose if they could express their identity in terms of design. Colour and pattern was a common selected element.

Participant 1: ‘I’d choose print and colour, coz I love colour and I feel I can express myself better with prints’

Participant 2: ‘Colour, patterns and slogans’

Participant 3: ‘Colour and patterns’

Participant 4: ‘I would choose colour and pattern’

5.3.4 Opinions towards products (scarves)
The group was shown a selection of digitally printed scarves from Saysh Boutique’s Spring/Summer 2011 collection. Looking at designs, participants were asked which they could best relate to, in terms of what was previously mentioned in reply to expressing identity through design.

Participant 1: ‘I love all of them, but if I had to pick one, I’d say...this one (Zebra foiling scarf). I just love the colours and the patterns, it’s really expressive’

Participant 2: ‘I think the one that I like is the second one, this one (Glam-Heart scarf)’

Participant 3: ‘Erm this top one (Eye-spy scarf)’

Participant 4: ‘I love this one’ (Glam-Heart scarf)

Participants further commented on what they liked, and if given the option which elements they would customise on the chosen scarves.

Participant 1: ‘I love the colours, and the patterns. I wouldn’t change anything there. But maybe it would be nice to pick my own metallic colours for those bits (points to foiling), and maybe have a bit of the other borders put in this one’

Participant 2: ‘I would like to change the borders, and take the beading off, and you know those...what are they called, charms or tassels, I would like those put on the edges. But apart from that I prefer it the way as it is’
Participant 3: ‘I’d like to pick out the shapes, and the smaller prints you’ve done in the detail, and maybe the borders. I’d like to see some more options in these to pick from, but other than that I love this one, it’s my fave’

Participant 4: ‘I’d like to have a photograph worked into this heart shape, and I like the border from this eye scarf on this one instead’

The price range of the scarves was disclosed as being £90-140. When the price was discussed the participants were happy to pay around £100.

Participant 1: ‘I would pay the higher price, £140 without doubt, but the hem would have to rolled by hand’

Participant 2: ‘About...£90 by looking at them’

Participant 3: ‘I’d feel comfortable to pay about £90-100’

Participant 4: ‘Erm, I’d pay anything up to £100-130’
5.3.5 Attitudes towards customisation

All participants agreed that they would find a personalised or customisable designer accessory appealing (e.g. bags, jewellery, scarves).

Participant 1: ‘Yep, definitely’

Participant 2: ‘Yes it would’

Participant 3: ‘Yeah I’d find that appealing’

Participant 4: ‘Definitely’

Most of the group felt happy to pay £30-50 on top of the buying price for their desired customisation:

Participant 1: ‘Up to another £50-100 on top’

Participant 2: ‘Maybe another £20-30’

Participant 3: ‘I’d pay up to £150-160 in total’

Participant 4: ‘I would pay up to another £50 on top’
When asked how long they would be willing to wait for the customised product, most of the respondents said they would wait for 4 weeks, although they did not mind how long exactly, as long as the product would meet their requirements.

Participant 1: ‘I’m not really bothered as long as I get it the way I want’

Participant 2: ‘If I had to give a time, maybe up to 6 weeks’

Participant 3: ‘As long as it takes, as long as I get something nice back, maybe a month, but I don’t mind if it’s longer as long am aware of that’

Participant 4: ‘Probably up to a month, coz having something made usually takes up to 4 weeks, so I’d say a month’

The time participants were prepared to spend on the computer to customise the product varied depending on the time of day, and how comfortable they felt at the design stage:

Participant 1: ‘Depends on what time of day I’m sat at the computer, I won’t be able to spend a long time if I’m at work, but if I’m at home I then I wouldn’t mind sat in front of the TV’

Participant 2: ‘...If you can save it as you go along, so if u wanted to you can come back to your design later on and carry on’

Participant 3: ‘Maybe about 20-30mins sat in front of the computer’
Participant 4: ‘Well the design on screen, maybe up to an hour, but it could be fun playing around (laughs) so maybe longer. But after that if I go for something different to add to the scarf I’d like the design sent back and forth before the final version is made so I know exactly how it will look’

5.3.6 Opinions of website development pages

The group was presented with a PowerPoint presentation of Saysh Boutique’s website development pages. Looking at these development website pages, the group was asked to comment on how they felt towards the overall look, style, layout and any suggestions for improvements.

Participant 1: ‘Well I like the colours; it’s a good combination with the black and pink. And I like the way the photography has been used on a white background. Are these pics going to revolve on the screen? That would look really good’

Participant 2: ‘I like the fact you have a video clips section, I would get bored...I like the photographs, the layout is good, feels easy on the eye’

Participant 3: ‘...I like this description bit, like how they have in magazines, how to wear the scarf, that’s good’

Participant 4: ‘Well I think the style advice bit is good too, I can imagine myself wearing it the way it’s been described, so if I can picture it I’d be more likely to buy it. But because of the nature of the product, I mean your scarves are gorgeous, they’re beautiful, I don’t think you’d be able to fully appreciate that online so I’d like to be able to see them somewhere in person too’
5.4 Results from interview

The interview was conducted with a potential client from the secondary target market, who will be targeted through the bespoke customisation service. (Please see appendix 8 for full transcript of interview).

5.4.1 Buying trends for designer and non designer accessories

The participant was asked how often she would purchase designer (luxury) and non designer accessories. The response included:

‘A designer accessory... I buy twice a month, and non designer I would say like twice a month also’

When asked how much the participant would spend per month on designer and non designer accessories, her response included:

‘For designer accessory that depends on my income, I mean that’s not set. I’ve got like a one job (retail manager full time), and the other job I’ve got is like a freelancer (photographer). If I have the money I can spend up to £400. But for non-designer I don’t like to spend more than £30 a month’

The participant was asked which accessories she bought the most any why. Her reasoning was mainly based around using accessories to create and change dressing styles.
“Scarves...shoes...handbags, because they can change my look completely, I can swap the accessories on the same clothes to give a different look”

This was further probed by asking what she would look for in an accessory, which found her main attribute was quality, followed by price.

‘Err, quality...err, price and quality and price together. Is it worth the price? And Multi-functionality, how times can I use it with my clothes’

5.4.2 Building target client profiles

The participant was asked how she would best describe her personal dressing style. Her response included an eclectic mix:

‘Classy, continental, quite brave. I’m a fashionista. Definitely big influence of Coco Channel, but I love Vivienne Westwood and I’ve got best brands for... like I love handbags from Channel, I love shoes from Dolce & Gabanna, scarves from Hermes, like different brands that have their own speciality’

The participant was asked to think of her cultural identity, and how she would best describe herself. Although the respondent is German, she preferred to give a more general reply.

‘Definitely European’

5.4.3 Influencing factors for design work

The interview questions moved towards expressing identity through design elements such as colour, motif, pattern, and slogans. The respondent was asked which design elements she
would choose if expressing her identity in terms of design. Colour, pattern and motifs were selected, to express an eclectic mix of the multi-cultural environment the participant was influenced by.

‘I do like folk influence, and I’ve got like Polish roots and German roots, so I’ve got my own outfit I call Heidi (laughs). But apart from that Europe to means, erm since I’ve lived in the UK now it’s just like multi-cultural. So I would say I can express myself with any of those, colour, pattern, motifs’

5.4.4 Opinions towards products (scarves)

Samples of digitally printed scarves from Saysh Boutique’s Spring/Summer 2011 collection were presented. Looking at designs, the participant was asked which she could best relate to, in terms of what was previously mentioned in reply to expressing identity through design.

‘Myself, I would say the second one, (heart shape motif scarf) I love details on all of them because I think details make the whole thing. All of them, I mean I like the colours that’s what caught my eye, I mean the colours would work, definitely for me and my wardrobe. But also like small things in this like M1, M2 which I assume means the Manchester postcodes I really like that’

Further comments were made on what the participant liked, and if given the option which elements she would customise on the chosen scarf.

‘Small details like the M1, M2 postcodes, and the colours. If could change anything, Sara I would customise... I would keep the gold foiling, I’d like my mum’s name there, in the heart. And
I would like it to be hand rolled, I mean hand rolled to me means good quality. Apart from it, I would change anything else, I love it really'

The price range scarves was disclosed as being £90-140. When asked how much the participant would be willing to pay for these, her reply was at the top price range of £140’.

5.4.5 Attitudes towards customisation

When asked if a personalised or customisable designer accessory would be appealing (e.g. bags, jewellery, scarves), respondent positively replied ‘yes’.

The respondent was asked how much she would pay for the desired customisation on the scarf, to which she replied:

‘...I think the price would even go to £250’

When asked how long the respondent would be willing to wait for the customised product, her reply was specific.

‘Not longer than one month’

The time the participant was prepared to spend on the computer to customise the product varied depending how comfortable she felt in the design stage, and on her level of expertise.
'20 minutes, but to be honest I would refer to do it with somebody who is quicker than me, I would be able to give them my opinion and they would be able to do it for me and like send it back to me to show me before the final one I made'.

It was important to determine whether the participant would buy the scarves online, and so this matter was further probed.

‘Normally with designer items, I go online to check it then go in shop to buy. I think with these scarves I would like to also see it myself, to feel the quality and see the details closer, but if its customised then I know I can’t see that before it’s made. But if one of the other ones is in a shop I would go to get an idea of how my one would look and feel. So I think it’s important to have it online but also in a shop’

5.4.6 Opinions of website development pages

A PowerPoint presentation of Saysh Boutique’s website development pages was shown. The respondent was asked to comment on how she felt towards the overall look, style, feel and any suggestions for improvements.

‘It has a very stylish look, I like the layout. And I can see you have links here for twitter and facebook, which I use a lot. Err I also like the video links concept for catwalk videos, that would be good to have’
6.0 Analysis and Discussion

6.1 Introduction

The previous chapter displayed the results gathered from the research methodology undertaken, to gain a deeper understanding into the primary and secondary target market consumer behaviour. This chapter will further analyse and discuss the data gathered, putting this in context with the literature reviews and gaps in the current research.

6.2 Demographics

Results from the survey show that the majority of respondents who buy accessories are 26-30 years old (43%). The second highest age group are the 21-25 year olds (29%). This is followed by the third highest age group, the 31-35 year olds (14%). Similarly, the participants for the focus group and interview were all aged between 22-29 years. This coincides with Mintel reports which state that there has been an increase in the numbers of the 25-34 year olds, (estimated at 12.1% between 2009-2014), who are becoming the biggest sub-group consumers of accessories (Mintel, 2009). This could also be linked to the fact that more women are now working in permanent and professional jobs, which will result in higher disposable incomes and a rise in affluent consumers (Mintel, 2008). Moreover, the 20-34’s market population may hold the best prospect to bridge the transition between fast fashion and comfort (Mintel, 2008). Furthermore all the respondents of the online survey, focus group and interview were in a permanent or professional field at time of questioning, and 60% of the survey respondents had a professional degree.

62% of the survey respondents stated their marital status as single and 79% having no children, therefore it is assumed these respondents would have more to spend on themselves as they have no dependents. Similarly the 33% living with parents could also have more to spend on
luxury items as their other out-going expenses such as rent and bills could be non-existent or limited.

48% of the survey respondents were homeowners or paying a mortgage. Since 62% state being single and only 29% married, it can be assumed that this 48% of homeowners and mortgage payers are married and higher earning single women. However, these consumers may be facing greater demand on outgoing expenditure, and so may be inclined to spending more consciously on ‘need’ rather than ‘want’ (Mintel, 2008).

44% declared their gross annual incomes at £10K-£20K, followed by 27% earning £20-£30K a year, and 12% earning £30-£40K a year. Comparing this to the gross annual incomes of the partners of the married women (29%), the highest earnings were also £10K-£20K (38%), followed by the second and third highest earnings (both at 15%) of £20-£30K and £30-£40K. So it can be seen that women are earning similar annual incomes to men, which would again support the fact that more women are becoming professionals and have higher disposable incomes. These women will be the target market for Saysh Boutique.

6.3 Dressing styles when accessorising

When accessorising dressing styles, the top three preferences in order by the survey respondents were being trendy, sophisticated and fashion conscious. From the focus group, being trendy and glamorous was also a top preference. However participants explained further that they accessorised differently for different times of the day (work and evening) and depending on the occasion. The interviewee also explained she uses accessories to create different looks for the same outfits, giving a wider variety in her wardrobe without buying more clothes. This corresponds with market reports which state that after the recession consumers have become much more price sensitive, but the recession has had the least impact on the accessories market (Mintel, 2009).
6.4 Cultural identity

When describing their ethnic origin, the majority of survey respondents were happy to specifically state their ethnic origin (40% stated being British Pakistani, 19% British India, 10% British Bangladesh, and 2% British Kashmiri). However 29% preferred describing their ethnic origin as British Asian. From the focus group 3/4 also stated being British Asian as they felt this term best described their dual heritage. One of these respondents felt living in the UK, the origins all seemed to blend into a new cultural identity with one common ground being British, and so she felt the best description was British Asian. Similarly the interviewee (from secondary target market) although being German, described her ethnic origin as being European, as she felt ethnic diversity has influenced her trans-cultural identity.

A trans-cultural identity fits the idea behind Saysh Boutique, embracing a much more global identity which goes beyond cultures and backgrounds. It also supports the reasoning behind the generalised scarf designs, which are aimed to appeal to the wider target market unified through the essence of a trans-cultural identity.

6.5 Influential factors for design work

6.5.1 Expressing cultural identity through design

When expressing cultural identity in terms of design, the survey respondents felt that colour was the most important (34 respondents), followed by motifs (3 respondents), patterns (2 respondents) and slogans (2 respondents). Similarly in the focus group 4/4 said colour and pattern, and the interviewee also agreed selecting colour, pattern and motifs. As colour was selected the top choice, a wider selection of colours can be offered in the customisation service as well in the ready-to-wear collections.
6.5.2 Design elements for customisation

The general customisation service for the scarves will have pre-designed elements from which the customer can choose to build their own design. For this reason it was vital to distinguish which design elements customers would prefer if given the opportunity to customise. From the online survey, colour was placed first (28 respondents), followed by motifs (6 respondents), patterns (4 respondents) and graphics (3 respondents). No one selected slogans. For the focus group and interview participants were shown the scarves, they selected colour, motifs (shapes in the scarves), and patterns (boarders) as the most common design elements to customise. Additionally some new options were recommended, such as choice of hemming and adding tassels, in the finishing of the scarves.

6.6 Attitudes towards Customisation

The majority of the respondents and participants said they would find a customisable or personalised accessory appealing. From the survey 83% said yes (35 respondents), 14% said maybe (6 respondents) and only 2% said no (1 respondent). From the focus group and interview, all the participants said yes.

The gaps in the literature on customisation led to specific questions in relation to how long customers would wait, how much more they would pay, and how much input they were prepared to have, which required further analysis in relation to the target markets. These questions were addressed in the interview and focus group. All participants said they would be willing to wait at least 4 weeks, however depending on the level of customisation they would waiting longer, as the end product would meet their exact requirements.

The price for customisation varied, as some participants would only choose one or two element to customise and would be happy to purchase from the ready-to-wear scarf range priced £90-140. However the price they would be willing to pay for customisation ranged between £30-
160 on top of the selling price of the scarves. The highest price was given by the interviewee who would be happy to pay up to £250 in total for a fully customised bespoke scarf.

Time spent by the consumer (input) to specify their requirements or to build the customised product (on the website), again depended on the level of customisation desired and expertise required. Most participants were happy to spend 20-30 minutes depending on the time of day, but suggested an option to save the design if they chose to re-visit the website at a more convenient time to complete the requirements. Some participants said they would prefer a greater interaction with the designer for a higher level of expertise for the bespoke scarf design service where the designs could be sent back and forth before being finalised.

6.7 Buying behaviour for accessories

6.7.1 Buying patterns: comparing online and in-store

From the survey, 77% (34 respondents) said they had bought non-designer accessories online, whereas 23% (10 respondents) had not. However when buying designer accessories online 74% (31 respondents) said they had bought designer accessories online, and 26% (11 respondents) said they had not. The main reason for this mentioned in the text response (see appendix 5 and 6) was that customers prefer to see the items personally when paying a higher price, however they would mainly buy online due to the convenience factor. Furthermore non-designer accessories were bought on average 3 times a month in-store (33%), and once a month online (61%).

This was much higher compared to purchasing designer accessories, which was on average once a month in-store (61%) and once a month online (51%). It became apparent from the interview and focus group that most participants would not buy designer accessories monthly, as it depended on their other monthly expenses, they would often save up and buy every few
months. Nonetheless they would buy non-designer accessories more frequently due to fast fashion trends. To keep these customers attracted, a strong visual homepage would encourage them to stay online longer and to revisit the website (Kim, Fiore and Lee, 2007), and added benefits/incentives such as next day delivery and promotions could encourage them to buy online by enhancing the personalised retailer-consumer relationship (Wind and Rangaswamy, 2001).

6.7.2 Spending patterns: comparing online and in-store

The survey found that average value for buying non-designer accessories was £25.16 a month, compared to £220.10 a month for designer accessories. This monthly figure cannot be compared to the answers from the interview and focus group, as not all participants bought designer accessories monthly, however when they did purchase their average value was between £210-250. Non-designer accessories were purchased more frequently (monthly) and the average value was between £32-48. This information will be important when considering a price range for the scarves, which can accommodate the target market’s buying patterns.

6.7.3 Accessories consumers are most likely to buy online

Survey respondents were given a selection of accessories and asked to group them, assuming they were non-designer accessories, in which they would be ‘most likely’, ‘least likely’ and ‘not sure’ to buy online. The ranking of the accessories in ‘most likely’ to buy online was:

- bags (34 respondents)
- jewellery (26 respondents)
- scarves (25 respondents)
- belts (16 respondents)
- pashminas (7 respondents)
- hair accessories (7 respondents)
For buying designer accessories online, the ranking changed slightly to:

- bags (33 respondents)
- scarves (33 respondents)
- jewellery (28 respondents)
- belts (18 respondents)
- pashminas (10 respondents)
- hair accessories (2 respondents)

Bags, scarves and belts were consistently placed in the top three ‘most likely’ to buy online. This coincides with Mintel reports, in which an online survey revealed 66% of females bought bags, followed by 43% for belts and 40% for scarves (Mintel, 2009). Therefore alongside the main product range of scarves, these other products could also be introduced as add-on sales.

6.7.4 Desired attributes in accessories

A number of desired attributes in accessories were highlighted in the interview and focus group, which were mainly quality, multi-functionality, brand appeal, fashionable, on trend and a unique look. These elements were placed in the survey, and respondents were asked to rate each on the level of importance (0=least important 100=most important) when buying designer and non-designer accessories. All the elements were rated above 60% important, however the top element for non-designer accessories was a unique look (71% important), and the most popular for designer accessories was brand appeal and quality (both 90% important). Mintel reports state that the segment of affluent consumers will be looking at quality and so higher price point sales are expected (Mintel, 2008).
6.8 Summary

This chapter has analysed and discussed the results obtained through the research methodology outlined, in order to gain a better understanding of the target market customers. This is an essential part of meeting the research objectives, as the website and customisation model created will be targeted towards this specific niche market. The next chapter will bring together the various aspects that have been explored through the literature reviews in light of the results obtained in relation to the target market. Conclusions drawn will focus on the e-store design for Saysh Boutique and a customisation model fit for the business.
7.0 Conclusion

The first objective from the research proposal was to gain an understanding of the key e-tailing elements required to develop an online store for Saysh Boutique. Literature review one critically analysed the e-tailing elements required for an e-store design, which included investigating the background of the e-tailing market, e-store design elements, e-marketing and promotion elements and future emerging strategies.

From the literature reviewed, similarities can be drawn between academics who propose that the correct balances of the e-store elements are important to create the overall store design. Each dimension focuses upon offering and creating an experiential and hedonic value, which is known to create the memory of the physical store (Erogulu et al, 2003). This is a vital aspect as past research shows consumers main hesitation to buy online was due to a lack of physical contact with the products (Ha et al, 2007). It is becoming important to create a personal shopper experience online (Sadique et al, 2008), and this is being achieved through the use of suggestions, add-ons, and zooming features to give a realistic view of the product. Interactive features, and features which engage with consumers are creating greater satisfaction, and research shows this will consequently create e-loyalty in the long-term. Furthermore, there is now a desire for retailers to offer more than functionality as consumers are seeking pleasure, hedonic and experiential elements (Jawardhena and Wright, 2009). Moreover, earlier research shows that retailers have begun moving in this direction to begin to offer these experiential and hedonic elements in an online retail environment (Koufaris et al, 2002).

The literature reviewed has given a better understanding of the key e-tailing elements required to develop an online store for Saysh Boutique, achieving the first object outlined in the research proposal. A website has been developed for Saysh Boutique, taking into account the e-store elements analysed.

The areas circled on the homepage (figure 6.1), the product screen (figure 6.2), and the lifestyle media screen (figure 6.3) highlight the incorporated website features (in red) which fall into the three main web attributes and marketing elements (in blue) analysed (please see appendix 9 for full list of features developed on website).
Club Saysh: members to register (capturing data for company) for exclusive access to other pages: including magazine/newsletter, competitions and promotions

Categories; for ease of navigation

Search engine; so customers can find specific information quickly and efficiently

Social media links; to follow and share blogs

Stockists: allowing Saysh Boutique to retail through multiple channels (online and in-store)

Further information about Saysh Boutique

Figure 6.1 Home page screen shot: navigation, atmospherics and marketing elements
Figure 6.2: Product screen shot: Interactivity and navigation features

- Product view; zooming features
- Add-on products
- Fashion advice and product description
The second objective of the research proposal was to critically analyse customisation in relation to retail; from a customer and manufacturer perspective in order to build a customisation model suitable for Saysh Boutique. Literature review two investigated the requirements for customisation, customisation models and forms available.
From the literature reviewed, it has come to knowledge that a customised product can be provided through several types of modularity which can be combined or used separately. The following models (adapted from Ulrich and Tung, 1991) can be used separately to explain the customisation at relevant stages of the design process, or combined to explain the whole process.

1) Cut-to-fit modularity:

The implementation of this model will work best when a customer requires a customised size for a standard design. The designs remains the same, however the size of the fabric will be customised to the specification. In this case the design will be scaled to fit the required size template for printing, and the fabric cut to the specified size.

2) Sectional Modularity:

This will be the modularity for the standard customisation service, where customers can select from pre-designed elements to create their own design. Sectional modularity is where standard modules are arranged to create a new unique design.
3) Component swapping:

This type of modularity will work best with the standard customisation for future product expansion ranges of bags and jewellery. In this model the base units remain the same, but a selection of components can be added onto the base. So customers will be able to add charms, attachments or embellishments to the standard bags and jewellery.

From these modularity types a model can be constructed to capture the customisation elements of the value proposition, and in doing so meeting the second outlined research objective. Figure 6.4 illustrates the complete customisation process, from the initial starting phase through to the delivery of the end product.

---

Stage 1: Selecting service

1. **Standard service:** Product selection

Customer input

2. **Bespoke service:** Consultation

---

Stage 2: Developing product

Customisation model depending on level of customer input

A  B  C

Key: A= Component swapping  B= Sectional Modularity  C= Cut-to-fit modularity

---

Stage 3: Final product

Product ready to add any finishing touches specified

Product delivered to customer

Figure 6.4: The customisation process for Saysh Boutique (Ahmad, 2010)
It could be noted that there was limited literature available in relation to customisation in retail as this is a new developing concept, therefore up to date and current literature in this area was sparse. Questions were bought forward which were addressed through the survey, focus group and interview. A brief insight into the primary target market buying behaviour can be gained, however the data collected was of a small sample, and a larger sample size would be required for further in-depth analysis of the research area.

6.1 Recommendations and future work

The literature reviews allowed an insight into key elements which would allow Saysh Boutique to create products and services (website and customisation service model) for the target customers. However, once these products would be made it will be important to ensure these products and services adhere to the needs and desires of the target market. However, there was limited research available to quantify the ethnic target markets, their behavior and motivations relating to the accessories market. Therefore, the research methodology aimed to shed light on this area to allow for a better understanding of Saysh Boutique’s customers. In order to gain an in-depth understanding of the primary target market, a larger sample of respondents would have to be analysed. Similarly a larger sample of secondary target market consumers would allow a better understanding to cater for the customer needs. Future research could also include respondents from various backgrounds, to compare and contrast buying behaviour and motivations to buy accessories.
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http://www.brandalley.co.uk/
http://www.google.co.uk/search?hl=en&rlz=1W1GPEA_en-GB&q=silk+scarves&aq=f&aqi=g10&aql=&oq=&gs_rfi=


http://www.juicycouture.com/community/

http://www.net-a-porter.com/Content/video#/runway-shows

http://www.net-a-porter.com/magazine

http://www.net-a-porter.com/product/94513

http://www.topshop.com/

http://www.topshop.com/webapp/wcs/stores/servlet/CatalogNavigationSearchResultCmd?catalogId=33057&storeId=12556&langId=-1&viewAllFlag=false&sort_field=Relevance&categoryId=208542&parent_categoryId=208492&beginIndex=1&pageSize=20&intcmpid=W_INT_SH_UK_HEELS

http://www.youtube.com/user/NewLookTV
APPENDIX:1 respondents matching the specified criteria for survey (target market)

CRITERIA SPECIFIED FOR ONLINE SURVEY:

1. Living in the UK
2. British Asian females
3. 24-35
4. Professional job or in employment
5. Buy accessories online and in-store
6. Spend on luxury/design products

APPENDIX:1 respondents matching the specified criteria for secondary target market:

1. Living in the UK
2. Belong to a dual cultural background
3. Females
4. 24-35
5. Professional job or in employment
6. Buy accessories online and in-store
7. Spend on luxury/design products
Appendix 3: online questionnaire

PAGE 1:

Which age range do you fall into?

21-25
26-30
31-35
36-40
41-45
46-50
51-55

What is the highest level of education you have completed?

- High School
- College
- Degree
- Master's Degree
- Doctoral Degree

Please state your occupation.

Please indicate your marital status:

What is your current residential status?
What is your (Gross) Personal Annual income range?

- Up to £10K
- £10K < £20K
- £20K < £30K
- £30K < £40K
- £40K < £50K
- £50K < £60K
- £60K < £70K
- £70K < £80K
- £80K +

If applicable, please indicate partner/spouse annual income (Gross)

- Up to £10K
- £10K < £20K
- £20K < £30K
- £30K < £40K
- £40K < £50K
- £50K < £60K
- £60K < £70K
- £70K < £80K
- £80K +

How many children do you have (including step-children)?

The question is in relation to the primary target market- When thinking of your identity (Asian cultural Identity), which term would you PREFER to best describe yourself?

However if you do not fall into this category, you will fall into the secondary target market, please tick other and state your ethnic background.

- Asian/ British Asian
- British Bangladeshi
- British Pakistani
- Other (PLEASE STATE)
Please rank in order (drag and drop) which styles are 'more you' when accessorising your own dressing (1=most you, 6=least you)

- 1 Trendy
- 2 Sophisticated
- 3 Urban
- 4 Glamorous
- 5 Unique
- 6 Fashion Conscious

If you could express your identity in terms of design, please rank (drag and drop) how important the following would be (1=most important, 5=least important)

- 1 Colour
- 2 Motifs
- 3 Graphics
- 4 Patterns
- 5 Slogans

If you were given the opportunity to customise an accessory with these elements in order to express your identity, in which order would you pick the following (please drag and drop to rank)

- 1 Motifs
- 2 Slogans
- 3 Patterns
- 4 Colour
- 5 Graphics

Would a personalised or customisable accessory (ie: scarf, bag, jewelry) appeal to you?
Have you ever purchased NON-DESIGNER accessories on-line? Please state YES or NO with a brief reason to WHY.

Which of these NON-DESIGNER accessories are you most likely to buy ON-LINE? Please place the given accessories in relevant boxes.

**Items**

- Bags
- Jewellery
- Scarves
- Pashminas
- Belts
- Hair accessories

How important are the following (on scale of 0-100) when purchasing NON-DESIGNER accessories?

Least important          Most important
Fashion trends
Unique look
Price
Quality
Functionality
Practicality
Originality
Multi-purpose use (ie: item can double up as brooch/necklace etc)

How many times in 1 month do you buy NON-DESIGNER accessories from a PHYSICAL STORE?

0 1 2 3 4 5+

How many times in 1 month do you buy NON-DESIGNER accessories ON-LINE?

0 1 2 3 4 5+
How much do you spend monthly on NON-DESIGNER accessories?

£'s

0 10 20 30 40 50 60 70 80 90 100

Item(s) Purchased

PAGE 4:

Have you ever purchased DESIGNER accessories on-line? Please state YES or NO with a brief reason to WHY.

Which of these DESIGNER accessories are you most likely to buy ON-LINE? Please place the given accessories in relevant boxes.

Items

- Bags
- Jewellery
- Scarves
- Pashminas
- Belts
- Hair accessories

Most Likely

Least Likely

Not Sure/ Maybe

How important are the following (on scale of 0-100) when purchasing DESIGNER accessories?
<table>
<thead>
<tr>
<th>Least important</th>
<th>Most important</th>
<th>Fashion trends</th>
<th>Unique look</th>
<th>Price</th>
<th>Quality</th>
<th>Functionality</th>
<th>Practicality</th>
<th>Originality</th>
<th>2-in-1 Multiple use (ie: item can double up as brooch/necklace etc)</th>
<th>Brand appeal</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 10 20 30 40 50 60 70 80 90 100</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Would a 2-in-1 type (multiple use) DESIGNER accessory appeal to you?</td>
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</tr>
<tr>
<td>How many times in 1 month do you buy DESIGNER accessories in a PHYSICAL STORE?</td>
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</tr>
<tr>
<td>0 1 2 3 4 5+</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How many times in 1 month do you buy DESIGNER accessories ON-LINE?

0 1 2 3 4 5+

How much do you spend monthly on DESIGNER accessories?

£'s

0 100 200 300 400 500 600 700 800 900 1000

Item(s) Purchased

Would a personalised or customisable DESIGNER accessory (eg: bags, jewellery, scarfs) appeal to you?
Appendix 4: Break down of the chapters in the subject side and enterprise side where the research can be found

<table>
<thead>
<tr>
<th>Objectives:</th>
<th>In-depth Interview</th>
<th>Focus Group</th>
<th>Online Survey</th>
<th>Field Market Research</th>
<th>Chapter research covered in</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Customer background/Statistics *</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Subject side: Ch.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise side: Ch.2</td>
</tr>
<tr>
<td>7 Shopping behaviour (in-store and online) *</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Subject side: Ch.2 &amp; 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise side: Ch.2</td>
</tr>
<tr>
<td>8 Product design</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Subject side: Ch.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise side: Ch.1 &amp; 3</td>
</tr>
<tr>
<td>9 Customisation *</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Subject side: Ch.3 &amp; 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise side: Ch.1, 2 &amp; 3</td>
</tr>
<tr>
<td>10 Website design *</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td>Subject side: Ch.2 &amp; 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Enterprise side: Ch.3 &amp; 4</td>
</tr>
</tbody>
</table>
**Appendix 5: No. of people buying non-designer accessories online, and reasons given:**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes because some times its easier to shop online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes - never really buy things online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No - there are too many shops and you have always try the non-designer accessories before purchasing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes - ease of purchase with next day home delivery.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, If item is unique</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, some of the non-designer accessories are more stylish and suit better to outfit they were purchased for</td>
<td></td>
<td></td>
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<tr>
<td>Yes, convenience factor</td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>Yes - easy to buy, saves time shopping</td>
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<tr>
<td>Yes at asos</td>
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<tr>
<td>Yes its easier</td>
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<tr>
<td>Yes</td>
<td></td>
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</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes but i prefer to buy designer accessories instead</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No easier acces in shops</td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td></td>
<td></td>
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<tr>
<td>Yes - if something different</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
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<tr>
<td>YES LOOKS THE SAME AND IS CHEAPER</td>
<td></td>
<td></td>
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<tr>
<td>YES PRICING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YES - CHEAP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>yes if cheaper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>yes - coats, shoes, accessories for day-to-day use</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Yes, if good quality then no use buying non designer

| yes-convenience | no | yes |

yes (topshop, river island, swaroski, accessorize) Value for money
### Appendix 6: No. of people buying designer accessories online, and reasons given:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>because it was easier to find</td>
<td></td>
</tr>
<tr>
<td>No - do not purchase items online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>will see them online but prefer to go instore to see them personally to get more realistic feel</td>
<td></td>
</tr>
<tr>
<td>no</td>
<td>would prefer to see them first</td>
<td></td>
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Appendix 7: Focus group transcript

Focus Group: Target market sample

Location: Apartment in city centre

Duration: 40 minutes

Participants: 4 females, working, aged 24-29, British Asians.

16. How often do you purchase a designer (luxury) / non designer accessory (a month)
   I buy designer accessories every 2-3 months when I’ve saved up enough, and non-designer...probably monthly, 2 or 3 items depending on whatever I seem to like.
   On non-designer purchases, about 5 times a month, and I can’t really afford to buy designer every month, so maybe once every 2 or 3 months. And I spend about 150-200 pounds on that.
   Well it’s whenever I go shopping, it could be 2 weeks/3weeks but it depends, whatever catches my eye really. It doesn’t really matter if its designer or non designer, if I like it I’ll buy it.
   Twice a month for non designer, and designer I’d say once a month or once every 2months depending on how expensive the item was.

17. How much would you spend per month (on a designer (luxury) / non designer accessory)
   On designer stuff I spend around 200-300 every few months, and non designer I’d say around 60-90 pounds
   I spend about 50 pounds a month on non-designer accessories, and about 150-200 pounds on designer accessories every 2-3months
   For non-designer up to about 10-40 pounds, it’s just a quick fashion. For designer if it’s something I like it could be anything up to about 100-150 pounds.
   I’d pay on average anything between 10-30 for non-designer. And I’d pay...up to £200 for designer or luxury accessories.

18. Which accessories do you buy the most any why
   Erm...jewellery, bags, scarves, I have a lot of scarves (laughs), and shoes, definitely shoes. I don’t really have to have a reason to buy, I just like spending on whatever makes me happy
   I think maybe things like bags, scarves, and jewellery because I think you can accessorise clothes to look different with them a lot more.
Scarves and bags, because... it's easier to match them with what you wear and you get more wear out of them.
Scarves and handbags, because they go with anything. I love handbags so I don’t really need another reason for that (laughs), and I like patterns and prints and layering clothes, so scarves are a good option for me.

19. What do you look for in an accessory e.g. functionality, practicality, fashion, Originality, multi-purchase

Quality definitely, also the finishing if its designer. Other than that, for non-designer I’d say trends and price, because it’s a cheap fashion fix.
Err... it got to be unique, it’s got to be fashionable and something that will make me look different to everybody else. Erm, and like colourful as well because I love bright colours.
I think fashion as well as the actual label, the brand. That’s what I look at. If the brands good I know the quality will be good.
Erm.. it’ll be more fashion for me

20. How would you describe your personal dressing style
For daytime colourful, trendy, and casual/smart look. For the evening i like glitzy things; I’m bit of a magpie really (laughs). But whatever the occasion I like to add my own signature style to whatever I wear, I like little things to personalise my clothes with brooches, or belts and charms on bags.
I think I’m quite glamorous; I like stylish pieces in my wardrobe. Something that will last longer than current trends and fashion.
My personal dressing style it’s just normal really, smart/casual. Cos I work full time I like dressing in day to evening looks. I mean like something that I can wear at work or during the day, but it can take me to evening too.
Works very casual, a lot of greys and blacks but I like to throw something colourful on top to break it up. Going out, I dress a lot more glamorous and colourful coz I love colour.

21. When thinking of your identity (cultural identity), how would you best describe yourself
I would say British Asian, because I feel that being born here I have my own identity, which yeah has Asian roots but I don’t feel I can relate to being an Indian, Pakistani or anything else. I guess when you grow up around people from all sorts of backgrounds you get influenced by a bit of everything

I’d say British Asian.

Err I would describe myself as a British Pakistani.

Well...erm, well for me I feel I have a mixture being born here, I definitely feel I can relate to being British. But on the ethnic side a lot of it is based on my mum’s Indian culture coz I’m closer to her side, but my dad is Pakistani. Soooo, if I had to give it like an umbrella term, I’d feel more comfortable to say British Asian.
22. If you could express your identity in terms of design, which design elements would you choose e.g. colour, motif, pattern, slogans
   Colour, patterns and slogans

   Colour and pattern

   I would choose colour and pattern

   I’d choose print and colour, coz I love colour and I feel I can express myself better with prints

23. Looking at the following designs, which do you feel you can best relate to, in terms of what was just previously mentioned in reply
   I love all of them, but if I had to pick one, I’d say...this one (one with zebra type foiling). I just love the colours and the patterns, it’s really expressive

   I think the one that I like is the second one, this one, yeah. I like this one (Points at heart scarf).

   Erm this top one (Points at eye design)

24. Please comment on what you like, and if given the option which elements would you choose to customise on the scarf you picked
   I love the colours, and the patterns. I wouldn’t change anything there. But maybe it would be nice to pick my own metallic colours for those bits (points to foiling), and maybe have a bit of the other borders put in this one.

   What I would change, yeah? Ok, I would like to change the borders, and take the beading off, and you know those...what are the called, charms or tassels, I would like those put on the edges. But apart from that I prefer it the way as it is. Cool, yeah I really like them.

   I’d like to pick out the shapes, and the smaller prints you’ve done in the detail, and maybe the borders. I’s like to see some more options in these to pick from, but other than that I love this one, it’s my fave

25. Would a personalised or customisable designer accessory (e.g. bags, jewellery, scarves) appeal to you
   Yep, definitely.

   Yes it would.

   Yeah I’d find that appealing.

26. Looking at these development website pages, please comments on how you feel towards the overall look, style, layout and any suggestions for improvements
   Well I like the colours; it’s a good combination with the black and pink. And I like the way the photography has been used on a white background. Are these pics going to revolve on
the screen, that would look really good. And I like the fact you have a video clips section, I would get bored.

I like the photographs, they sit really well. The layout is good, feels easy on the eye. And I like this description bit, like how they have in magazines, how to wear the scarf, that’s good.

I like the style advice bit too, I can imagine myself wearing it the way it’s been described, so if I can picture it I’d be more likely to buy it. But because of the nature of the product, I mean your scarves are gorgeous, they’re beautiful, I don’t think you’d be able to fully appreciate that online so I’d like to be able to see them somewhere in person too.

27. The price range of this product is between £90-140. How much are you willing to pay
I would pay the higher price, £140 without doubt, but the hem would have to rolled by hand

About...£90 by looking at the quality of them, and the time that has been put into the scarves. I don’t actually know how long you’ve spent (laughs), but I’d feel comfortable to pay about 90-100.

Erm, I’d pay anything up to 100-130

28. How much more will you want to pay for your desired customisation
Up to another 50-100 on top

Maybe another 20-30 pounds

I’d pay up to 150-160 in total

29. How long are you willing to wait for the customised product
I’m not really bothered as long as I get it the way I want, but if I had to give a time, maybe up to 6weeks

As long as it takes, as long as I get something nice back, maybe a month, but I don’t mind if it’s longer as long am aware of that.

Probably up to a month, coz having something made usually takes up to 4 weeks, so I’d say a month.

30. How long are you willing to spend to customise your product i.e. in front of the computer
Depends on what time of day I’m sat at the computer, I won’t be able to spend a long time if I’m at work, but if I’m at home I then I wouldn’t mind sat in front of the TV. Or you know what would be good is if you can save it as you go along, so if u wanted to you can come back to your design later on and carry on.

Maybe about 20-30mins sat in front of the computer.
Well the design on screen, maybe up to an hour, but it could be fun playing around (laughs) so maybe longer. But after that if I go for something different to add to the scarf I’d like the design sent back and forth before the final version is made so I know exactly how it will look.

Appendix 8: Interview transcript

Interview: Secondary target customer (customisation service)

Location: Apartment in city centre

Duration: 15 minutes

Participant: female, working full time, aged 30, European.

31. How often do you purchase a designer (luxury) / non designer accessory (a month)
   A designer accessory... I buy twice a month, and non designer I would say like twice a month also

32. How much would you spend per month (on a designer (luxury) / non designer accessory)
   For designer accessory that depends on my income, I mean that’s not set. I’ve got like a one job (retail manager full time), and the other job I’ve got is like a freelancer (photographer). If I have the money I can spend up to £400. But for non-designer I don’t like to spend more than £30 a month

33. Which accessories do you buy the most any why
   Scarves...shoes...handbags, because they can change my look completely, I can swap the accessories on the same clothes to give a different look

34. What do you look for in an accessory e.g. functionality, practicality, fashion, Originality, multi-purchase
   Er, quality...err, price and quality and price together. Is it worth the price? And Multi-functionality, how times can I use it with my clothes.

35. How would you describe your personal dressing style
   Classy, continental, erm, ermm quite brave. I’m a fashionista. Definitely big influence of Coco Channel, but I love Vivienne Westwood and I’ve got like best brands for, like I love handbags from Channel, I love shoes from Dolce & Gabanna, scarves from Hermes, like different brands that have their own speciality.

36. When thinking of your identity (cultural identity), how would you best describe yourself
   Err ethnic background, definitely European.
37. If you could express your identity in terms of design, which design elements would you choose e.g. colour, motif, pattern, slogans
I do like folk influence, and I’ve got like Polish roots and German roots, so I’ve got my own outfit I call Heidi (laughs). But apart from that Europe to means, erm since I’ve lived in the UK now it’s just like multi-cultural. So I would say I can express myself with any of those, colour, pattern, motifs.

38. Looking at the following designs, which do you feel you can best relate to, in terms of what was just previously mentioned in reply
Myself, I would say the second one, (heart shape motif scarf) I love details on all of them because I think details make the whole thing. All of them, I mean I like the colours that’s what caught my eye, I mean the colours would work, definitely for me and my wardrobe. But also like small things in this like M1, M2 which I assume means the Manchester postcodes I really like that.

39. Please comment on what you like, and if given the option which elements would you chose to customise on the scarf you picked
Small details like the M1, M2 postcodes, and the colours. If could change anything, Sara I would customise... I would keep the gold foiling, I’d like my mum's name there, in the heart. And I would like it to be hand rolled, I mean hand rolled to me means good quality. Apart from it, I would change anything else, I love it really.

40. Would a personalised or customisable designer accessory (e.g. bags, jewellery, scarves) appeal to you
Yes.

41. Looking at these development website pages, please comments on how you feel towards the overall look, style, layout and any suggestions for improvements
It has a very stylish look, I like the layout. And I can see you have links here for twitter and facebook, which I use a lot. Err I also like the video links concept for catwalk videos, that would be good to have.

42. The price range of this product is between £90-140. How much are you willing to pay
£140

43. How much more will you want to pay for your desired customisation
If I would be able to chose the colours but the best way for me would be to see it on the screen, to visualise it before that, I think the price would be even go to £250

44. How long are you willing to wait for the customised product
Hmm, not longer than one month

45. How long are you willing to spend to customise your product i.e. in front of the computer 20 minutes, but to be honest I would refer to do it with somebody who is quicker than me, I would be able to give them my opinion and they would be able to do it for me and like send it back to me to show me before the final one I made

46. Would you buy this product online
Normally with designer Items, I go online to check it then go in shop to buy. I think with
these scarves I would like to also see it myself, to feel the quality and see the details closer, but if its customised then I know I can’t see that before it’s made. But if one of the other ones is in a shop I would go to get an idea of how my one would look and feel. So I think it’s important to have it online but also in a shop.

Appendix 9: Full list of features developed on website

1. Navigability:

   i) Search classification features:

   • **Home**: To direct customers to the homepage
   • **Search**: ease navigation, customers can search website for specific items
   • **Shop**: customers can browse the entire collection, subdivided categories
   • **Your bag**: stores products for the ‘check out’

   ii) Interactive viewing:

   • **Product descriptions**: with zooming and viewing angle options
   • **Style advice**: how to best wear products in line with current trends

2. Web Atmospherics:

   i) **Image atmospherics**:

   • **layout**: strong, visual photography and graphics
   • **colours**: consistent with branding

   ii) **Lifestyle media**:

   • **Multimedia**: video catwalk and runway clips
3. Interactivity:

i) Value added features:

- **Saysh Couture**: for the bespoke customisation service
- **News**: customer can be kept up to date recent activity and events
- **Press**: customers can access pdf versions of press releases
- **Club Saysh**: customers can register and log in (capturing customer data) to track their order status, receive newsletters, exclusive promotions and invitations to Saysh Boutique events
- **Enquiries**: for customers and stockists
- **Contact**: Company contact details
- **Stockists**: List of all stockists holding Saysh Boutique products
- **Social media**: to share products, videos
- **Terms and Conditions**: Including Returns policy and privacy policy

ii) Fashion Inspiration:

- **Social media**: to follow Saysh Boutique or to share trend information/blogs/fashion advice/products/videos with other friends
- **Email a friend options**
- **Facebook**
- **Twitter**
- **Linked-In**
Enterprise dissertation
Executive summary

Sash Boutique is a luxury womenswear accessories brand, specialising in digitally printed scarves, catering for fashion savvy, young professionals in the UK. An additional customer offering of a customisation service will allow Saysh Boutique to meet the exact requirements and needs of the target consumer.

The accessories market will see a rise in sales in the next 5 years as the number of women with higher disposable incomes will increase. Technological developments, internet expansion and increasing internet speeds are leading to interesting propositions for consumers. Retailers are moving across channels to create a stronger brand identity, brand awareness and achieve business growth. Saysh boutique will be primarily retailing online, and through exclusive stockists, allowing the brand to retail via multiple channels.

In order to gain an advantage, Sash Boutique will differentiate from competition and build a clear recognisable brand image. This may be achieved through offering tailored services and unique products. The key to differentiation is to identify the target market segments and to cater to the target customers’ specific needs. Thus it would be vital for Sash Boutique to know its target customer better, in order to cater for their needs and remain at a competitive advantage from potential entrants and competition in tough trading environments.
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<td>3.6</td>
<td>Features incorporated for Navigability</td>
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<td>37</td>
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<td>3.9</td>
<td>A finalised scarf print in Photoshop</td>
<td>39</td>
</tr>
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<td>3.10</td>
<td>Customisation and bespoke options available</td>
<td>40</td>
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<td>3.11</td>
<td>Branded sweets</td>
<td>41</td>
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<td>3.12</td>
<td>Saysh Boutique Ready2Wear Spring/Summer 2011 collection</td>
<td>42</td>
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<td>Saysh Boutique’s extended products range; knitted scarves and bags</td>
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<td>The customisation process for Saysh Boutique</td>
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<td>4.1</td>
<td>Osterwalder’s Canvas business model- 9 building blocks in 4 key areas</td>
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<td>4.2</td>
<td>Business model map of several scenarios</td>
<td>57</td>
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<td>4.3</td>
<td>Gantt chart for business development</td>
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<tr>
<td>4.4</td>
<td>Development plan June 2010-Oct 2010</td>
<td>59</td>
</tr>
<tr>
<td>4.5</td>
<td>Development plan November 2010</td>
<td>60</td>
</tr>
</tbody>
</table>
Figure 4.6: Development plan December 2010  
Figure 4.7: Development plan January 2011  
Figure 4.8 Development plan February 2011-March 2011
1.0 Background to Idea and concept

Saysh Boutique is a new luxury accessories brand specialising in digitally printed scarves, catering primarily for the British Asian market and fashion savvy, young professionals in the UK. The secondary target market will be catered through a customisation service, offered alongside the ready to wear accessories, which will allow Saysh Boutique to meet the exact requirements and needs of the consumer. Inspiration for the designs will be taken from personal inspiration; cultural roots, present life at home in the U.K, general interest and influences from the multicultural society in the UK.

1.1 The Business

Initially, the business will start online, however a selection of products will be held exclusively by stockists. This will ensure that the products can be fully appreciated in person, should the customer choose to examine them before purchasing. It will also offer a multi-retailing channel to reach a wider range of target consumers.

1.1.1 The website

The website will play a key role in promoting and selling the products, and so must engage the consumer through the e-store design. Figure 1.1 is a screen shot of the development website homepage. Most of the tabs are general and familiar categories, however some will tabs incorporate new features for the customer. For example ‘Club Saysh’ will require customers to register and log in to track their order status, receive newsletters, exclusive promotions and invitations to Saysh Boutique events. It will also be a way in which the company can capture customer data. Entertainment will be offered through the video links, where customers can watch catwalks and fashion runways to gain an insight for seasonal trends and current fashion. This will encourage customers to re-visit the website on a regular basis so that new products can be seen and purchased. Additionally customers will be able to share these clips with friends,
and follow the brand through social media tools (Facebook, Twitter, Linked-In and blogs) which will offer free publicity and increase store traffic.

Figure 1.1: Screen shot of development homepage
1.1.2 Products

Digitally printed scarves will form the main product range (figure 1.2), which will be offered as three main products/services to consumers:

- **R2Wear range**: ready-to-wear accessories; scarves
- **Standard Customisation service**: choosing from pre-designed elements to create own designs
- **Saysh Couture Service**: for highly customised and bespoke designs

The R2Wear digitally printed scarves will be priced between £90-140, and available in a selection of sizes and base fabrics. The designs will be printed in limited runs with limited number of designs for exclusivity as they are intended for the luxury accessories market. The price of the other services will be quoted on an individual basis depending on the level of customisation the client desires.
Once the company is established, the product range can also expand to include knitted scarves (figure 1.3), bags made from recycled Asian fabrics (figure 1.4), and a jewellery line (necklaces, bracelets, rings, earrings, brooches).

Figure 1.3: Montage from Sash Boutique’s knitted scarf collection

Figure 1.4: Montage of bags for Sash Boutique, made from recycled Asian fabrics
1.2 Unique selling point (USP): Identification and justification

1.2.1 Customisation services

There will be two customisation services; Standard Customisation and Saysh Couture (for bespoke designs), in which any of the R2Wear accessories can be personalised to meet specific client requirements. The Standard Customisation service will allow the customer to choose from pre-designed features such as size of scarf, base fabrics, borders, motifs, colour options, text (in range of languages), choice of hemming and foiling. The Saysh Couture service will also offer these options but additional benefits will include customised size, foiling (in a wider range of metallic colours), beading, and hand embroidery. Alternatively in this service, clients will also be able to provide a digital image of their choice to be incorporated into the product. These services will allow Saysh Boutique to cater for a wider target market, as specific needs and requirements of consumers can be met in direct manner.

Once the product range expands to include bags and jewellery, a similar service will be offered where these products can also be customised in a similar fashion, the base will remain the same but the clients will choose from a selection of charms, attachments or embellishments. Although this will be a high-end brand, the R2Wear range will begin at the lower price point, and the customising service will offer a wider price range depending on the level of customisation so it will be affordable for the wider target market.

1.2.2 Adding value: Branding and packaging

The brand colours are black and fuchsia, and so this theme will run consistently throughout the branding and packaging of products. Each scarf will be wrapped in fuchsia tissue paper, and placed in a flat black gift box. The multi-functional aspect of the scarves (see figure 1.5) will be promoted through a mini ‘How to wear’ illustration booklet which will be attached to the scarf.
1.2.4 Added value: Extras

Each customer will also receive ‘Saysh Boutique’ branded confectionary alongside the purchased product, creating a special touch for customer gifts and adding value to product. Additionally a re-packaging pack will also be included by customer requests. This will be particularly useful if the product is bought as a gift, and requires re-packaging after inspection. It will also add to the value of product and ensure that the brand is further exposed to the final recipient.

2.2 Target Customer segments

The target market for Saysh Boutique is the luxury fashion accessories market, and primary target customers are British Asian women who fall into the high-end market, as the products designed (prints and influences) are an expression of a dual/multi-cultural identity. However as the products can be customised they can also be targeted towards the secondary target market;
consumers from other cultures through pre-designed features. The third target customer segment are clients looking for highly customised and bespoke accessories, who will be targeted through the Saysh Couture Customisation Service. This customisation service will allow each customer to become their own customer segment, as their needs and requirements can be specifically met.

Overall the typical Sash Boutique customers will be:

- Fashion savvy, and looking for individual/unique products
- young professional women who have a higher disposable income and like to spend on high-end designer/luxury products
- not afraid to make a statement through bold vibrant colours and accessories
- proud of their dual heritage

Figure 1.6: Client mood-board for Sash Boutique
2.0 Market Issues

2.1 Introduction

The previous chapter reiterated the background idea and concept of Saysh Boutique. This following chapter will explore the broad business environment and how it will impact the business, through conducting a Pestel analysis. Markets for the products and services which Saysh Boutique offers will be identified through Porter’s 5 forces, and the key drivers and trends of this market will be evidenced. Additionally, potential customers and their needs will be distinguished, as well as the competition (strengths and weaknesses) and how the competitive position may develop over time (opportunities and threats). Furthermore, key market risks will also be investigated.

2.2 The broad business environment: PESTEL analysis

This analysis is a key to determine the impact of external factors on the business and the market as a whole. From this, information can be gathered to meet specific needs of the market or to gain an insight into the possible market entry.

2.2.1 Political and legislative influences

This will include I.P such as Copyright, Design rights and Registration. As Saysh Boutique will initially be selling online, the business will also need to adhere to the Distance Selling directive and e-commerce legislation. Political policies such as government funding for research and development may be available to help the business expand (interest rates may apply on loans). Product specific legislation will apply to accessory products such as scarves and bags which are required to have indications of fibre/ fabric content, Gintex care labelling system, and performance finishes such as a fire retardant finishing.
2.2.2 Economic influences

The following points will impact the market and need to be considered:

- **Taxes**

Table 1.1 highlights the different rates of Corporation Tax which will be applicable to UK business. The main Corporation Tax rate applies to businesses which exceed a profit of £1,500,000 (including ring fence profits: income from oil extraction or oil rights in the UK). Depending on the income, rates are also stepped. The band which applies to this company will be the small profits rate (previously small companies’ rate) Tax rate of 21% and marginal relief may also be applicable if profits are below £300,000.

Table 2.1 Corporation tax rates (http://www.hmrc.gov.uk/rates/corp.htm)

<table>
<thead>
<tr>
<th>Rate</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Profits Rate*</td>
<td>21%*</td>
<td>21%*</td>
<td>21%*</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Small Profits Rate can be claimed by qualifying companies with profits at a</strong></td>
<td>£300,000</td>
<td>£300,000</td>
<td>£300,000</td>
<td></td>
</tr>
<tr>
<td><strong>rate not exceeding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marginal Relief Lower Limit</td>
<td>£300,000</td>
<td>£300,000</td>
<td>£300,000</td>
<td></td>
</tr>
<tr>
<td>Marginal Relief Upper Limit</td>
<td>£1,500,000</td>
<td>£1,500,000</td>
<td>£1,500,000</td>
<td></td>
</tr>
<tr>
<td>Standard fraction</td>
<td>7/400</td>
<td>7/400</td>
<td>7/400</td>
<td></td>
</tr>
<tr>
<td>Main rate of Corporation Tax</td>
<td>28%*</td>
<td>28%*</td>
<td>28%*</td>
<td>27%*</td>
</tr>
<tr>
<td>Special rate for unit trusts and open-ended investment companies</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

- **VAT**

In 2009 VAT was at 15% due to the recession but returned to 17.5% after Christmas. From the New Year in 2011 this will rise again to 20%. Retailers across the country will be affected by the new price changes.
• Import/export taxes and currency conversion rates
Currently the value of the pound is low, and so imported goods will be more expensive. This will affect retail prices across the country (Mintel, 2009).

• The cost of living is rising
The cost of living is rising as mortgages and utility bills are higher, which means the consumers are less likely to spend on impulse and fashion purchases. Additionally consumer confidence has been at a low due to the recession (Mintel, 2008).

2.2.3 Socio-cultural influences

The accessories market will see a rise in sales in the next 5 years as the number of women with higher disposable incomes will increase. (Mintel, 2009). Furthermore results from the online survey (carried out in the subject side) revealed that 60% of the survey respondents had a professional degree and 100% were working at the time of the online survey. More women are becoming professional and taking on permanent jobs which allow higher disposable incomes, which adheres to Saysh Boutique’s target market.

There has been an increase in numbers of 25-34 year olds (estimated at 12.1% between 2009-2014) who are the biggest sub-group consumers of accessories (Mintel, 2009). Similarly 3/4 focus group participants were from this age group, and 86% of survey respondents (43% were 26-30 year olds, 29% were 21-25 year olds. 14% were 31-35 year olds).

Table 1.2 shows the annual UK retail sales for women’s handbags, scarves and belts. Before the recession in 2008, handbags generated the highest revenue, and as a result have also seen the biggest drop in sales. Scarves and belts seem to have had the least impact and sale figures have remained somewhat consistent compared to other fashion accessories.
Table 2.2: UK sales of women’s handbags, belts and scarves (Mintel, 2009).

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>£m</th>
<th>% annual</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HANDBAGS:</strong></td>
<td></td>
<td></td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>507</td>
<td>+8.3</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>504</td>
<td>-0.6</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>520</td>
<td>+3.2</td>
<td>103</td>
</tr>
<tr>
<td><strong>BELTS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>25</td>
<td>+8.7</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>24</td>
<td>-4.0</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>24</td>
<td>+0.0</td>
<td>100</td>
</tr>
<tr>
<td><strong>SCARVES/SHAWLS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>54</td>
<td>+1.9</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>53</td>
<td>-1.9</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>53</td>
<td>+0.4</td>
<td>100</td>
</tr>
</tbody>
</table>

In a survey of 2,000 internet users over 16 years of age, 43% of female purchases were belts, followed by 66% for handbags and 40% for scarves. The main age group of these purchases was between 16-24. Regionally these items were purchased the most in the North West (Mintel, 2009). This also correlates to Saysh Boutique’s target demographics. Furthermore it coincides
with the data from the online survey (from the subject side) which found that bags, scarves and belts were consistently placed in the top three ‘most likely’ to buy online.

Additionally, buying trends of some accessories depends on the climate and weather e.g. sales of warm scarves, shawls, gloves and waterproofs increase during the colder months of Autumn and Winter (Mintel, 2009).

2.2.3.1 Trends and Demographics in Ethnic Consumers

Breaking down the target market demographics, according to Mintel (2009) fewer than 12% of the UK population are classed ‘non white’ with Asians as the largest sub-group at almost 6%. When describing their ethnic origin, the majority of survey respondents (from subject side) were happy to specifically state their ethnic origin (40% stated being British Pakistani, 19% British India, 10% British Bangladeshi, and 2% British Kashmiri). However 29% preferred describing their ethnic origin as British Asian. From the focus group 3/4 also stated being British Asian as they felt this term best described their dual heritage.

According to Mintel, within the British Asian category, the Indian origin is predominant, followed by the Pakistani origin. In terms of geographical location the highest concentration of these ethnic groups in the UK can be found in England. The main areas include London, followed by Leicester, Slough and Bradford. Seasonal buying trends of these consumers can be found around religious holidays, festivities and events (Mintel, 2008).
2.2.4 Technological influences

Global communication via the internet (e.g. video conferencing) has become much more common, making it easier to communicate with suppliers and buyers abroad. Furthermore designs can be sent via the internet with the correct design specifications for manufacturers to follow without having to personally visit manufacturers and factories.

Computer Aided Design (CAD) has lead to more efficient design processes allowing more time for creativity. The use of power machines (for woven/knitted products) has become widespread compared to weaving machines/knitting machines, and capabilities for digital printers are increasing.

Reinforced internet speeds and the number of people with access to broadband is increasing and as a result there is more media rich online content available to consumers, and so there is more that can be offered from retailers. Additionally, a growing number of consumers now have smart phones such as the I-Phone and Blackberries, and this is creating an alternative network service (mobile internet) which is increasing five times faster than the traditional internet penetration (IMRG, 2008).

M-commerce is the next step for retailers to offer niece market choice; this is the retail purchases made via internet facilities on a mobile device. 3-G technology has ‘increased bandwidth, reinforced speed and efficiency of data transmission and so mobile value-added services are on opportunity for providers to create revenue’ (Kuo and Yen, 2008). Furthermore, Mobile Multi-Colour Composite codes (MMCC) is a new technology where consumers can upload 2-D ‘barcodes’ onto their mobile internet for further product information. These codes have the ability to store videos, pictures, texts and other multi-media, as well allowing customer to view and buy products.
2.2.5 Environmental/Ethical influences

All businesses have an impact on the environment with the responsibility to be more resource efficient. Adopting a cleaner design process to be more environmentally friendly will include consideration towards manufacturing (efficiently), transportation of goods, retailing (efficiency of packaging), the use of the product by consumers, and the end use of the product.

In regards to ethical trade, every business has a ‘corporate social responsibility’ to ensure they are using their buying powers and influences to ensure that all the workers throughout the supply chain have protected rights, and are benefiting from decent working conditions. Working with suppliers to find solutions to prevent violating workers’ rights is an important factor in ethical trade which can reflect a positive image and gain good reputation with consumers.

2.2.6 Summary of Pestel analysis

From the Pestel analysis, several key trends have come to light which will help to better understand the market segment and customer. Key trends to watch will be the growing number of professional women as their higher disposable incomes will have an effect on spending in the luxury market.
The population of professional working women is increasing in the UK as more women are gaining better qualifications. This will result in higher disposable incomes, with more to spend on the luxury market. Mintel reports show that the accessories market is therefore likely to ‘boom’ within the next 5 years (‘Mintel: Women’s accessories-UK-Feb 2008’). Secondly is has also been noted that the recession has lead to more women buying accessories to transform their clothing as opposed to buying a whole new outfit (Mintel, 2008).

On the other hand these women now have less leisure time as they work longer and so increasing shop opening times will catch these consumers, giving them the convenience to shop till later in the day. Alternatively more of these consumers are now turning to online shopping for convenience. Another point to consider is the growing interest in fashion and celebrity endorsement which will also impact the accessories market as demand will increase for a wider range of accessories.

As mentioned previously, demographics of the 25-34 age range has increased (estimated 12.1% between 2009-2014) which is partly due to immigration as under the Common Wealth legislations residents of the Common Wealth countries can work in the UK without a permit. This group is the biggest consumer of accessories (Mintel, 2009). This will impact the business as ethnic diversity will create opportunities in the market to cater for specific needs, such as sizes. Nevertheless, the demographics of younger consumers is decreasing and older consumers are increasing, rather than looking at demographics the market will need to target the different segments more specifically in order to sustain growth (Mintel, 2008).

2.3 Customer profiles

After highlighting the information from the Pestel analysis, the following is a general profile for the target market customers for Saysh Boutique; followed by more specific characterisations of the target customer segments.
Customer segmentation for Saysh Boutique:

- 24-35 years old
- Primary target market: British Asian women
- Secondary target market: women with a dual cultural background
- Permanent and professional working women, higher disposable incomes
- Fashion conscious; looking for unique items and quality luxury accessories

Type of background:

- 25-35 year old demographic: biggest buyers of accessories, increasing in size partly due to emigration and residents from common wealth countries who can work in the UK without a permit

Issues of social demographic grouping:

- Longer working hours have impacted leisure time, leading to convenience being a key factor for these women
- Due to work a orientated culture these women are having children later in life, resulting in higher disposable income to spend on childrenswear. As a result childrenswear is become more fashionable and is another potential market to expand into (childrenswear accessories)

Interests of customer:

- Online retail as alternative shopping medium
- Social networking and social media more widely used- Youtube, Facebook, MySpace, Bebo
- Growing product ranges now available as ethnic diversity is leading to specific needs and demands

Likes and dislikes of customer:

- Use of accessories to transform outfits, rather than buying whole new outfits
- Belts, handbags and scarves most popular accessories bought by this group
- Luxury items, willing to spend more for quality
2.3.1 Target customer profile 1: Primary target market

Name: Sophia
Age: 27
Martial status: Single
Residence: Living with parents
Ethnic background: British Asian
Job and salary: Accounts manager £10-20K

Buying behaviour: Spends up to £150-200 every 2/3 months on designer accessories as occasional treats. Often buys accessories online for convenience.

Favourite accessories: Scarves, jewellery and bags

Likes/dislikes: Likes bold, bright and funky prints. Trendy and fashion conscious dressing style, likes to find statement pieces to accessorise her dressing.

(Profile is based on a generalisation of information taken through primary contact with the target customer market from online survey, focus group data in subject side)
2.3.2 Target customer profile 2: Secondary target market

Name: Alicia

Age: 30

Martial status: Living with partner

Residential status: rented, furnished apartment

Ethnic background: European (Polish/German roots)

Job: freelance photographer and retail manager

Salary: 20-30K

Buying behaviour: Depends on monthly income, but can spend on average £400. Often buys accessories online, but will also prefer to go in-store to inspect higher priced items.

Favourite accessories: scarves, bags and shoes

Likes/dislikes: Eclectic dressing style- Classy, continental and bold. Likes to look different and looks for unique pieces for her individual take on seasonal trends. Looks for good quality and specialist brands.

(Profile is based on a generalisation of information taken through primary contact with secondary target customer, from interview data in subject side)
2.4 Identifying markets, key drivers and trends: Porter’s 5 Forces

Porter’s 5 forces analysis is used to gauge how attractive an industry is. The diagram below illustrates the industry forces, which can impact the proposed company. These impacting forces will be analysed in relation to the UK women’s fashion market (which includes footwear, accessories and clothing).

Figure 2.2: Adapted from Porter’s 5 Forces

From this analysis, potential strengths and weaknesses can be taken forward for a SWOT analysis at a later date to better understand how to position the company within this market, and how to adjust the marketing mix and strategies in order to gain a competitive advantage.

2.4.1 Competitive rivalry

Reports show that the accessories market increased by 4.7% to £1.5 billion between 2007-2008 (Mintel, 2008). Competition is divided into four key categories:
- The specialists

There are three main accessories specialist retailers in the market (see table 2.3), these are compared in table 2.4 where the strengths of the retailers can be seen as possible threats for Sash Boutique. However weaknesses of the competitors can be seen as potential opportunities for the business.

Table 2.3: The specialists

<table>
<thead>
<tr>
<th>Accessory Specialists</th>
<th>Target/Market Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessorize</td>
<td>• Women 20-45</td>
</tr>
<tr>
<td></td>
<td>• Middle-upper market prices</td>
</tr>
<tr>
<td></td>
<td>• Broad range of decorative, special and everyday accessories</td>
</tr>
<tr>
<td>Clair’s Accessories</td>
<td>• Female teens, pre-teens and young adults</td>
</tr>
<tr>
<td></td>
<td>• Pocket money prices for a comprehensive range of products</td>
</tr>
<tr>
<td>Tie Rack London</td>
<td>• Men and women aged 22-55</td>
</tr>
<tr>
<td></td>
<td>• Contemporary classics than fashionable</td>
</tr>
<tr>
<td></td>
<td>• Targets last-min impulse buyers and gift buying consumers</td>
</tr>
</tbody>
</table>

Table 2.4 shows the three main specialist retailers in relation to the accessories market, comparing their USP or differentiation. Their weaknesses and opportunities can pose as strengths and threats for Saysh Boutique, which must be considered when finding a possible market entry.

Table 2.4: Comparison of accessory specialists (Mintel, 2009)
<table>
<thead>
<tr>
<th>Retailer</th>
<th>Market position</th>
<th>Store nos.</th>
<th>Sales (£m)</th>
<th>Selling online</th>
<th>Strengths</th>
<th>Weaknesses/opportunities</th>
</tr>
</thead>
</table>
| Accessorize | Fashion/ Middle market 20-45s | 257 (a)    | 464.3 (d)  | Yes            | Comprehensive range  
Dual stores + Monsoon  
Fashion appeal  
Strong identity  
Stretching price architecture  
Enhancing Fair Trade range  
Positive media PR. | Displays can be dense  
Fashion risk  
Can lack depth of ranging.  
Stronger promotion of online in store.  
Further strengthen ethical and Fairtrade ranges. |
| Claire's    | Fun Fashion/ Value Market 7-20s | 461 (b)    | 157.7 (e)  | No             | Fun and enticing for young girls  
Good for gifts and low price treats  
Strong niche position  
Extending to include some higher quality items  
Extra reason to visit = ear piercing | Sales and profit decline in latest year  
Dense stores  
Poor website – need more product info to drive interest and store visits  
Ranges of bags, hats, scarves, belts are limited – lacking depth. |
| Tie Rack    | Fashion/gift &/ Middle Market 25-55s | 97 (c)     | 43.0 (f)   | No             | Travel locations niche  
Gifts  
Depth of product  
New store design  
Sales growth recovery. | Accessory destination only – lack of reason to visit otherwise.  
Travel locations risk public transport strikes etc  
Displays can still be dense, enhanced customer services is an opportunity.  
Too much emphasis on price promotions.  
Unprofitable.  
Poor website – need more product info to drive interest and store visits. |

Key: SOURCE: Mintel

(a) As at May 2007, stand alone and dual stores*
(b) As at February 2008, stores in UK and Eire
(c) As at January 2009
(d) Year to end May 2007, Monsoon and Accessorise UK and Eire*
(e) Year to end January 2008, UK sales only
(f) Year to end January 2008, Tie Rack UK sales only

*updated information no longer available as company is now private

- Pureplay specialists
These include smaller specialist accessory online retailers (see table 2.5), such as Bagladies, Handbags and Gladrags, and The Scarf company.

**Table 2.5: specialist accessory pureplay retailers**

<table>
<thead>
<tr>
<th>Specialist Accessory pureplay retailers</th>
<th>Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bagladies</td>
<td>• Quality leather handbags made in Italy</td>
</tr>
<tr>
<td></td>
<td>• Classic styles</td>
</tr>
<tr>
<td></td>
<td>• Bespoke service available</td>
</tr>
<tr>
<td>Handbags and Gladrags</td>
<td>• Wide selection of known designer/branded handbags</td>
</tr>
<tr>
<td></td>
<td>• Also stock up-and-coming designers</td>
</tr>
<tr>
<td>The Scarf Company</td>
<td>• Targets adults and children</td>
</tr>
<tr>
<td></td>
<td>• Scottish manufacturer producing lambswool knitted accessories</td>
</tr>
<tr>
<td></td>
<td>• Supplies to retailers but also directly sells to consumers via the website</td>
</tr>
</tbody>
</table>

- The non-specialists

The non-specialists include department stores such as M&S, Next, Bhs, and the Arcadia Group. Although they are non-specialists, they all have their own accessory range alongside their main collections.

- High-end designer specialists
High-end designers also offer competition as Saysh Boutique will be targeting the luxury market. The main scarves and accessories specialist designers include:


2. Hermes: Specialises in large scale printed silk scarves, originally Paris based but now an International brand.

Figure 2.3: GVE homepage (http://www.gve.co.uk/history.html)

Figure 2.4: Hermes homepage (http://uk.hermes.com)

![Jane Carr homepage](http://www.jane-carr.com)

Figure 2.5: Jane Carr homepage (http://www.jane-carr.com)


![Dominique Mosley homepage](http://www.dominiquemosley.com)

Figure 2.6: Dominique Mosley homepage (http://www.dominiquemosley.com/)
5. ‘Lily and Lionel’ by Alice Stone: Specialise in scarves, limited designs printed on ethically sourced luxury fabrics. Particular emphasis on materials made from local artisans and sustainable processes for printing. London based company.

![Lily and Lionel homepage](http://www.lilyandlionel.com/)

Figure 2.7: Lily and Lionel homepage (http://www.lilyandlionel.com/)

The key to minimising competitive rivalry against these existing players will depend on how well the company can deliver its value proposition to the target customer and market segment. Differentiation is also vital to build a separate identity and attract customers. If selecting a niche market, Saysh Boutique will need to know the target customer and market segment better in order to cater specifically for their requirements.
2.4.2 Potential entrants

This includes other retailers who offer similar products and services. Looking at accessories, Mintel reports show that although there are a high number of potential entrants, there a number of distribution channels which retailers can opt for. From Figure 2.8 it can be seen that although M&S are not an accessory specialist they have strong brand loyalty from their customers, and as a result are the main retailer for purchasing accessories from.

* combined into mail order/internet 2008

** added in 2009

Figure 2.8: Fashion accessories bought in 2008/2009; online survey (Mintel, 2009)
Other known high street retailers such as New Look, Topshop, H&M, and supermarkets have also shown to be popular consumer choices. Competition from existing retailers is very high, however entry into this market is determined by the extent of which barriers can be entered.

The internet medium is also growing, with potential for retailers. It seems consumers are opting to buy accessories from retailers and mediums they perceive as trustworthy. This is an essential aspect to develop, which can be built through greater brand awareness and brand experience. Results from the focus group and online survey (subject side) also revealed that consumers bought designer accessories less frequently online compared to non-designer accessories, as they preferred to see the products in person when paying a higher price. However convenience was the biggest factor for buying online.

2.4.3 Suppliers

The number of suppliers used for Saysh Boutique will determine the bargaining power; therefore having more suppliers will be attractive. This will include suppliers for the base fabric, print specialists to whom the design specifications will be sent, and also seamstresses for the hand rolled hemming to finish the scarves.

Some fabric suppliers will set minimum unit orders before selling. Other will provide stock which can be re-ordered as required. This is important to adapt and react to customer demand especially for customised products which are usually made-to-order. For bespoke customisation services it is will also be vital to find a print supplier who can produce the product as requested. However, most suppliers prefer some assurance that the business will keep running, and so a negotiation for a minimum number of product manufactured can be agreed upon.
The location of suppliers is also vital, to ensure that problems in one region do not affect the whole production. Similarly, having an option of suppliers allows the work load of an order to be shared and distribute pressure equally between several suppliers at busy periods. Having a balance of the type of suppliers and products for the marketing mix is essential. It is important however to ensure consistency throughout the level of quality between each supplier.

2.4.4  Buyers

Buying power of buyers (customers) will be stronger if the consumers have a wider choice, as there will be more options to buy elsewhere other than the company. The buying power can also be high if the product can be replaced by other substitutes, so differentiating from rivalry will play a fundamental role. Customers may also be sensitive to pricing, and so offering various price point products will ensure a wider range of customers being targeted. Switching to other alternatives for the product is also an easy option for consumers. Knowledge of production costs is another influential factor for not purchasing an item. Against these factors Saysh Boutique can increase their own powers by creating a brand experience for their target customers through brand awareness and identity so that consumers feel they are buying into more than just the product.

2.4.5  Substitutes

A threat from substitutes will exist if there are alternative products with lower prices and better product performance compared the products on offer from the proposed company. This can come from specialists or non-specialists. Potential substitutes could attract a significant segment of the market and therefore impact the potential sales for existing players and the company. The threat of potential substitutes can be counteracted by building a strong brand identity to prevent customers from switching, maintaining a closer retailer-customer relationship, and adapting to current trends and customer demand.
2.4.6 Summary of Porter’s 5 Forces analysis

In summary the UK womenswear market has high competition due to the number of retailers, however it is an attractive industry as entry barriers are low. In order to gain an advantage from competition, Sash Boutique will need to differentiate from competition and build a clear recognisable brand image, and as the brand establishes build customer loyalty. Power to suppliers and buyers can be reduced by differentiating from competition. Similarly threat of substitutes and potential entrants can be reduced by establishing and sustaining a competitive advantage. It will be vital for Sash Boutique to know their target customer better in order to cater for their needs and remain at a competitive advantage from potential entrants.

2.5 The Next Direction: Innovation and possible gaps in the market

- Luxury brands such as Stella McCartney and Gucci are moving towards recycled and sustainable materials.
- Sainsbury’s are showing their customers how to best wear accessories by use of illustrative tags
- There are opportunities for customisation as this is a growing trend to offer people the possibility of selecting materials/design/decoration used for pre-determined styles (e.g. belts with a choice of buckles, scarves with/without tassels)
- Currently there are the Middle-Eastern ‘Palestina’ scarves which express political messages. There is a potential in the market for scarves and pashminas to reflect specific attitudes or messages similarly to slogan t-shirts.
- Some consumers are more intrigued by expressing fashion through fast disposable fashion and renting as opposed to actually owning items. This is an opportunity for high-end accessories markets to expand what is currently available (mainly rental bags) and create libraries of products for these growing consumers (Mintel, 2008).
2.6 Key risks of the market

As the accessories market has been most resistant to economic conditions and is steadily growing, it would be a favourable market to enter. However there are several risks associated to the market, most of which can be minimised. Design infringement is a common risk faced by retailers which can minimised by incorporating the relevant I.P to protect designs. Trend analysis is another risk as retailers can only respond to predictions, however this will not be problem as Saysh Boutique aims to lead fashion and offer an alternative for unique, bespoke and statement pieces. Increase in VAT and taxes may see a small rise in the costs of raw materials, and service costs of print specialists. It should also be noted that the digital printing of the scarves will be reliant on outsourcing to print specialists (digital printing companies) as it is expensive to buy and maintain the digital printing machines. Competition in the accessories market is high as barrier entries levels are low and several substitutes exist.

Overall, positioning the brand in luxury womenswear market, Saysh Boutique will need to differentiate from competition and build brand awareness in order to create its own brand loyalty. However as Saysh Boutique has a strong USP there is not much competition regionally in the North, as there is only one other luxury scarf brand but this does not offer customised accessories. The next chapter will outline the products and service developments of Saysh Boutique.
3.0 Product/Service Development

3.1 Introduction

The previous chapter identified the markets for the products and services, and outlined that the accessories market is in fact a favourable market to enter. This chapter aims to identify the key features of the outcomes and product/service developments for Saysh Boutique, evidencing the key challenges faced along the way. The implications for commercialisation will also be addressed, with an Intellectual Property (I.P) protection strategy at appropriate stages of the developments.

3.2 Product and service development

3.2.1 Company name

The company name ‘Saysh Boutique’ was created using the name of the MD. The word ‘boutique’ seemed relevant as it derives from French, meaning a small shop; an elite specialist for high-end luxury and exclusive fashion items such as clothes and jewellery. Further connotations imply a truly unique product, which could best describe the product range.

The company name can be protected by a Trademark registration under the Trade Marks Act (1994). This may be done by making an application to the Trade Mark Registry. The application must include a representation of the trademark and a description of the associated product and service. Once registered it will prevent anyone using the brand name and associating with the brand identity (logo, slogans and signs).
3.2.2 Domain name registration

The domain name sayshboutique.co.uk was purchased for the current website launch (for £2.99 a year), and sayshboutique.com (for £9.99 a year) for future global expansion. This domain name can be protected to avoid directing store traffic elsewhere and to prevent anyone using the website address.

3.2.3 Company registration (companies act 1985)

The company will be incorporated by the end of 2010, complying with the Companies Act 1985, and registered as a private limited company. By registering as a private limited company, the MD will have limited liability as the company is seen as a separate legal identity. Should the company fall into debt, only the finance and assets invested into the company will be used to clear the debt, ensuring all personal assets remain protected.

3.2.4 Branding

The overall image of the brand will play an important element in building brand awareness, and over time, brand loyalty. Therefore, it is logical for the logo and trademark to be kept simple. A minimal look is more likely to remain memorable, even with striking colours and contrast used. The branding colour theme, black and fuchsia, will run throughout the website, packaging and other marketing literature. The logo (figure 3.1) will be used on all packaging for the products (tissue paper, boxes and laminated paper bags), which will be sourced from a selection of online companies with the best competitive price.

![Saysh Boutique brand logo](image)

Figure 3.1: Saysh Boutique brand logo
The logo has been protected by trademark registration, preventing anybody else from using it and the associated brand identity.

### 3.2.5 Website

The website design is currently under construction and has been outsourced to a freelance website designer. Figure 3.2 illustrates the three key web attributes and the elements required for a successful e-store design, which have been taken into account. The concept of the branding and e-store design (studied in Literature review one in the subject side) have been incorporated (see figures 3.3, 3.4 and 3.5), to ensure that the website has a strong impact to attract and retain customers.

![Figure 3.2: Web attributes required for a successful e-store design.](image)

The areas circled on the homepage (figure 3.3), the product screen shot (figure 3.4), and the lifestyle media screen shot (figure 3.5) highlight the incorporated website features which fall into the three main web attributes.
Figure 3.3: Home page development screen shot
Figure 3.4: Product screen shot

- Fashion advice and suggestions
- Add-on products
- Product view; zooming features
- Product description

Figure 3.5: Lifestyle media screen shot

- Catwalk videos
- Sound and music
- Video sharing options
Figures 3.6, 3.7 and 3.8, and further explain each of the highlighted features of the website screen shots, and other features to be incorporated into the relevant web attributes.

4. Navigability:

i) Search classification features:

- **Home**: To direct customers to the homepage
- **Search**: ease navigation, customers can search website for specific items
- **Shop**: customers can browse the entire collection, subdivided categories
- **Your bag**: stores products for the ‘check out’

ii) Interactive viewing:

- **Product descriptions**: with zooming and viewing angle options
- **Style advice**: how to best wear products in line with current trends

Figure 3.6: Features incorporated for Navigability

3. Web Atmospherics:

ii) Image atmospherics:

- **Layout**: strong, visual photography and graphics
- **Colours**: consistent with branding

ii) Lifestyle media:

- **Multimedia**: video catwalk and runway clips

Figure 3.7: Features incorporated for Web Atmospherics
### 3. Interactivity:

#### ii) Value added features:

- **Saysh Couture**: for the bespoke customisation service
- **News**: customer can be kept up to date recent activity and events
- **Press**: customers can access pdf versions of press releases
- **Club Saysh**: customers can register and log in (capturing customer data) to track their order status, receive newsletters, exclusive promotions and invitations to Saysh Boutique events
- **Enquiries**: for customers and stockists
- **Contact**: Company contact details
- **Stockists**: List of all stockists holding Saysh Boutique products
- **Social media**: to share products, videos
- **Terms and Conditions**: Including Returns policy and privacy policy

#### ii) Fashion Inspiration:

- **Social media**: to follow Saysh Boutique or to share trend information/blogs/fashion advice/products/videos with other friends
- **Email a friend options**
- **Facebook**
- **Twitter**
- **Linked-In**

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Figure 3.8: Features incorporated for Interactivity
Arguably, the website design, photography, online customer database, and the online product brochure will all need protection through Copyright. Additionally, the designs of the scarves will also need protection by Copyright. Although there is no formal process for registering copyright, design files can be dated on the computer to prove dates of original work and ownership. Alternatively, membership organisations such as ACID (Anti Copying in Design) raise awareness and encourage respect for I.P. Membership benefits include a licence to use the ACID logo (which is internationally recognised), access to the ACID Design Data Bank to record dated evidence of original work, legal advice/support and legal action can be taken on your behalf if required.

3.3 Product Design process

3.3.1 Standard designs; design process

The design process may be initiated via developments using a mood/inspiration board for the chosen collection theme. From this stage, original photography and mixed-media artwork may be incorporated to create further developments, which may be worked on, using CAD software (Photoshop and Illustrator) for the scarf designs.

(Figure 3.9) is a screen shot showing one of the finalised designs for a standard scarf, set at the correct size and resolution requirement in Photoshop. Several pre-designed elements for each design file, such the boarder, colour options, motifs and text have been saved in a separate folder, ready to incorporated into the base design as and how specified by the customer. The final standard design is then flattened and saved as a Tiff file (best for higher resolution), ready to be sent to the digital print specialist (UK based).
3.3.1.2 Customisation services

Customers will be given the option to purchase each scarf as seen on the screen, or to customise the design from a selection of pre-designed features, adding to the in screen base design. This will be the standard customisation service. Alternatively, the Saysh Couture service will provide a highly customisable service to include all the pre-designed features of the standard service, also including various additional options. Figure 3.10 shows the options available in each of these two services provided.

For these bespoke orders, time will be spent with customers (as found from interviews in subject side, customers would prefer this one-to-one service) discussing the customer’s requirements via email, phone or personal consultation, providing exceptional service from the design stage, through to customer service and delivery. The customisation services will also offer a wider price range depending on the degree of customisation, and therefore suitable price ranges will be available to attract a wider target market.
### Customisation Services Options:

<table>
<thead>
<tr>
<th>Standard Customisation</th>
<th>Saysh Couture Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Size of scarf: 50 x 50 cm, 90 x 90 cm, 130 x 30 cm</td>
<td>- Choice of own slogans/phrases/text (in choice of language)</td>
</tr>
<tr>
<td>- Base fabric: 100% silk, Chiffon or Habutai (China silk)</td>
<td>- Sizes: starting at standard sizes, up to 130 x 130 cm</td>
</tr>
<tr>
<td>- Pre-designed: Borders, Motifs, Colour options, Slogans/phrases/text (in a selection of languages)</td>
<td>- Foiling (in a range of metallic colours)</td>
</tr>
<tr>
<td>- Hem (machine stitched or hand rolled)</td>
<td>- Beading in borders (in selection of colours)</td>
</tr>
<tr>
<td>- Foiling (gold or silver)</td>
<td>- Embroidery (selection of styles for a motif/name/word)</td>
</tr>
<tr>
<td></td>
<td>- Photos: own pictures can be sent to be incorporated into the design or inside the boarder templates</td>
</tr>
</tbody>
</table>

Figure 3.10: Customisation and bespoke options available

#### 3.3.1.3 Packaging and delivery

Once completed, the designs will be sent to a print specialist (from a selection of three local digital printers, which will remain undisclosed for business confidentiality). The design will be printed and fully finished (including the hem) within one week and sent back to Saysh Boutique,
ready to be sent out to the customer on the same day. The total time from the design to the delivery of products, under the standard customisation service will be 2 weeks. For the Saysh Couture service, once the design is printed a maximum of a further week must be allowed for any foiling, beading or embroidery. Thereafter the finished scarf may be posted out to the customer. Therefore the total time from design to delivery for the Saysh Couture service will take 3-4 weeks.

Each scarf will be neatly folded and wrapped in fuchsia coloured tissue paper, and placed in a flat black gift box. A mini ‘How to wear’ illustration booklet will also be attached to the scarf, including a product tag which will double as collectable playing card or keep sake for the customer. The illustration book and collectable playing card will also need Copyright protection.

As the brand is positioned in the high-end luxury market, adding value will be an important factor to create a higher perception of the brand value. Therefore, each customer will also receive ‘Saysh Boutique’ branded confectionary alongside the purchased product, creating a special touch for customer gifts and adding value to product.

![Figure 3.11: Branded sweets](image)

In addition to this, a re-packaging pack will also be included (by customer request). This will be particularly useful if the product is bought as a gift item, as it may require re-packaging after inspection. It will also add to the value of product and ensure that the brand is further exposed to the final recipient.
3.3.2 Product range

The main product range (R2Wear, see figure 3.12) will specialise in digitally printed scarves, in a selection of standard sizes and printed in limited runs to keep exclusivity. There will be two themes and collections per year; theme 1 for Spring/Summer and theme 2 for Autumn/Winter. Each collection will hold twelve ready to order designs in a selection of colourways. These scarves will be priced at the lower range of £90-140.

Figure 3.12: Saysh Boutique Ready2Wear Spring/Summer 2011 collection

Additionally, there will be a standard customisation service and a Saysh Couture service for more highly customised designs. These scarves will be priced starting from £140 and above depending on the level of customisation (quotes will be provided prior to order, and a deposit will be taken). With each scarf purchase, a mini ‘How to wear’ illustration booklet will be included to advise customers on how to accessorise and style the scarves for different looks, and how to work the items in the seasonal trends.
As the company expands, the product range is also likely to expand, (figure 3.13) including knitted scarves, bags made from recycled Asian fabrics, and also a jewellery line (necklaces, bracelets, rings, earrings, brooches). Jewellery and bags will also be customisable through a standard customisation service, where the base will remain the same but clients will be able to choose from a selection of charms, attachments and embellishments.

Figure 3.13: Saysh Boutique’s extended products range; knitted scarves and bags

3.4 Customisation model: From process to delivery

As discussed in Literature review two: Customisation (subject side), it came to knowledge that a customised product may be provided through several types of modularity which can be combined or used separately. The following models may be used separately to explain the customisation at relevant stages of the design process, or combined to explain the whole process.
4) Cut-to-fit modularity:

The implementation of this model will work best when the customer requires a customised size for a standard design. The designs remains the same, however the size of the fabric will be customised to the specification. In this case the design will be scaled to fit the required size template for printing, and the fabric cut to the specified size.

5) Sectional Modularity:

This modularity will be implemented for the standard customisation service, where customers may select from pre-designed elements to create their own design by arranging standard modules to create a new unique design.

6) Component swapping:

This modularity will work best for standard customisation for expansion ranges of bags and jewellery. In this model the base units remain the same, but a selection of components may be added onto the base. So customers will be able to add charms, attachments or embellishments to the standard bags and jewellery.
Figure 3.14 illustrates the complete customisation process, from the initial starting phase through to the delivery of the end product.

**Stage 1: Selecting service**

3. **Standard service:** Product selection

   Customer input

4. **Bespoke service:** Consultation

**Stage 2: Developing product**

Customisation depending on level of customer input

**Stage 3: final product**

Product sent to digital specialist for printing

Product ready to add any finishing touches specified

Product delivered to customer

Figure 3.14: The customisation process for Saysh Boutique

### 3.5 Summary

This chapter addressed the key developments and the implications for commercialisation, with an indication of the I.P strategy at appropriate stages of the developments. The initial devolvement stages included the company name, registration and branding. The website is in need of further development, however at the current stage there is a sufficient understanding of the key web attributes and these will be developed further to complete the website design.
The main product range has been developed in advance for the next season, which is ready for Spring/Summer 2011. Finally, a customisation model fit for the business has also been developed, which captures the elements of the customisation services provided. The next chapter will focus on commercialisation.
4.0 Commercialisation

4.1 Introduction

This chapter will describe the proposed business model for Saysh Boutique using Osterwalder’s ‘Canvas’ business model, with justifications identifying the key recourses required for operation and how they can be obtained. ‘A business model describes the rationale of how an organization creates, delivers, and captures value’ (A. Osterwalder, 2009). Osterwalder’s ‘Canvas’ business model is based on visually conceptualising similarities of several models onto one ‘canvas’. This model is made of 4 key areas containing 9 building blocks, as illustrated in figure 4.1

Figure 4.1: Osterwalder’s Canvas business model- 9building blocks in 4 key areas
The visual aspect of this model is suitable for any business, as once the external forces and market environments are taken into context (chapter two: Market Issues), the relationship between each building block can be clearly visualised. Implementing a change in one block will no doubt affect another block, and this is much easier to comprehend visually. Of course external influencing factors, internal factors, and market conditions are ever changing, so this business model will be constructed in light of the current analysis of the conditions. As Saysh Boutique grows, these methods of analysis will have to be undertaken several times due to the nature of the ever changing business environment.

Finally, a development plan will also be identified using a Gantt chart, detailing when the business could start trading and key milestones along the way.

4.2 Saysh Boutique business model
4.2.1 Company Infrastructure

4.2.1.1 Partner Networks

Saysh Boutique’s Partner networks include two important companies for the smooth running of the business. Paypal’s integrated merchant account will be vital for the website in order to process the sales as it works seamlessly with credit cards and current accounts, and also has a Seller Protection Policy to safeguards retailers against claims, charge backs and reversals (subject to eligibility). It is also a well known and trusted payment method for customers.

Fast hosts are a Manchester based company, from which a web hosting package be bought for £5.39 per month (ex VAT for 6 months, £10.56 incl. VAT thereafter). The Standard Business package will include 50 GB of UK Web Space, unlimited monthly traffic, free setup, a personalised email with unlimited mail forwarders, marketing features including £105 free advertising vouchers, security features, technical features and 24/7 phone support/onsite engineers as well as online support and a secure UK data centre. This can be upgraded if needed to the Premium Business package as the business grows.

4.2.1.2 Key Activities

The key activities for Saysh Boutique will include managing sales both online and through stockists, and customer support.

This will be done through analysing and evaluating customer buying patterns, which will be captured when customer register and log in to Club Saysh to track their orders or to view other exclusive member pages. Club Saysh will also be a vital feature of the website as it will allow the company to capture information to build the customer data base. However in-depth
Information will be generated in time once the business is set-up and running, therefore initially the results found from the focus groups, questionnaires and one-to-one interviews will form an important insight into the target market buying patterns in order to better target the customer segments. It is known from the research conducted that majority of respondents have bought accessories online, and on average they purchased once a month online and once a month in-store. It can also be noted that the most likely accessories to buy online were revealed as bags, scarves and jewellery, which corresponds to Saysh Boutique’s offering. Furthermore, fashion trends and forecasts will be regularly reviewed in order to keep customers up to date with fashion advice and tips for styling the products.

4.2.1.3 Key Resources

The brand image will play an integral role in the key resources, as it will build an identity to differentiate Saysh Boutique from other competition, as well as build positive associations for customer satisfaction. Brand appeal was found to be one of the most important elements customers desired alongside quality (found in the survey conducted in the subject side).

The whole process from design, to manufacture and finishing will be done in the UK, which will build a prestige and association for Saysh Boutique being a proud British brand. Over time it will play an integral role in attracting, sustaining and retaining customers through brand loyalty. The logo, colour theme and associated branding will run consistently through marketing, packaging and the website.

The website is also a key resource as it will be the initial source of promoting and selling the products. Strong visual layouts, a consistent branding theme and key website attributes will be essential for a successful website, ensuring customer re-visit.
There are two UK based suppliers (they will be kept confidential, but referred to as A and B), who will finish the scarves. The designs will be sent to digital print specialist A, who will also provide the fabric and finishing within the printing service. This will be the primary supplier and manufacturer, however supplier B will also be kept to ease the workload at busy times and in case there is a problem with supplier A.

Social media tools such as Facebook, twitter, and Linked-In will also prove to be key resources, as it will allow targeting the customer segments much more directly. Social media tools are fast becoming part of everyday lifestyle, and are used by many pureplay and multichannel retailers. It will provide a further platform for free publicity, and also allow customer to share information about the brand and their purchases in their networks, which would further enhance the customer-retailer relationship.

4.2.2 Offering

4.2.2.1 Value Proposition

The overall emphasis of the offer will be to provide an exclusive range of unique statement pieces; accessories and scarves printed in limited runs, with a customisation service to match the needs of individual niche clientele. The main aim of the brand will be to offer something distinctive which will lead fashion as opposed to following it. Additionally there will be three tailored offerings to match the needs of the three target customers. Offering one will be the ready to wear range; which will be bold, vibrant and colourful with an expressve multi-cultural vibe. This offering will be at the lower end of the price range to attract customer one.
Offering two will be the standard customisation service, which will provide pre-designed elements (designs, colours, motifs, slogans in various languages etc) to cater for customer two (from specific ethnic cultures and backgrounds). This offering will be at the mid price range.

Offering three will provide a bespoke service, the Saysh Couture service, to incorporate a greater range design elements and options to match the specific needs and requirements of customer 3 who is willing to pay more depending on the degree of customisation.

4.2.3 Customers

4.2.3.1 Customer Relationships

Customer relationships must be created and maintained to allow the brand to develop and expand. This can be achieved by targeting each customer segment specifically, and offering them a tailored solution to meet their needs and requirements. This will lead to customer satisfaction, as meeting the needs will strengthen the customer-retailer relationship.

Customer one will be targeted by the ready to wear collection, which will reflect a multi-cultural vibe to express their identity, and will be priced in the more affordable range.

Customer two will be targeted by the standard customisation service at the mid-price range, which will offer pre-designed elements to more specifically express their individual cultural identity.

Customer three will be targeted by the bespoke customisation service, Saysh Couture service. This will be at the higher price range depending on the degree of customisation, offering the full range of customisation options and one-off individual designs.
The Club Saysh section on the website requires customers to register and log in. Not only will this capture customer data for the company, but will provide customers with exclusive benefits such as competitions, newsletters, promotions. This will all enhance the online customer experience to build a greater customer relationship.

4.2.3.2 Customer Segments

(Information generalised from primary data obtained through survey, focus group and interview conducted in subject side of dissertation).

Customer one:

- British Asian woman 21-25
- No dependents so can spend more on herself
- Has some degree of income to spend on occasional ‘treats’ every few months, spending around £100-150

Customer two:

- Younger professional woman 25-30
- Disposable income for affordable luxury brands
- Looking for unique pieces, and not afraid to experiment with bold designs
- Confident to express her cultural identity, own eclectic style inspired by cosmopolitan influences
- Monthly spending pattern depends on income, but can spend up to £150-200

Customer three:

- 30+ professional women
- Higher disposable incomes to spend on premium luxury brands
- Looking for quality, originality, and items which will not date, like bespoke, unique items
- Regularly shop online and in-store, can spend up to £400 on average
4.2.3.3 Distribution Channels

The website will be the primary distribution channel, where the customers directly buy the products, or then finalise a customised version of the design, and track the order/delivery status through the customer account.

Alongside the e-store, the physical stockists will play an important role in promoting and showcasing the ready to wear collection. As found from the questionnaire responses (subject side), a number of customers said that although they view luxury items online they would prefer to see these in person to check for quality and a for a better visual indication of the product. For the case of the customised range, this will be made to order so it will not possible for customers to see the product until it is made, however they can still visit the stockists if they wish to get an indication of the quality and handle of the fabrics used.

At the present moment stockists will include JJC (an Asian casual and eveningwear specialist), where Saysh Boutique’s ready to wear collection will form part of the fusion range. For other potential stockists, there will be a contact section on the website where they will be able to get in touch. Alternatively, accessories boutiques in Manchester (King Street and the Triangle) will be personally approached as their locations are ideal for luxury products. Other online stockists such as www.go-british.co.uk would be ideal, as they promote well known British luxury brands and selling through this website would also associate Saysh Boutique with the prestige of the other British brands.

Last season, two designs were promoted at The Whitworth Art Gallery, which generated some positive interest. So each season, two exclusive designs will be commissioned to Art Gallery
shops. This will allow another platform for exposure and reaching customers. Customers will be able to buy these designs directly from the art gallery.

Selling online and through physical stores will allow Saysh Boutique to integrate multi-channel retailing and distribution to reach a wider target market. However locations of Stockists will be vital, as they must reflect the company’s brand image. There is a danger of diminishing the brand if the associated stockists offer poor customer service, poor locations and unsatisfying store environments. Therefore it will be important to ensure that the stockists have an element of exclusivity and luxury appeal.

4.2.4 Finance

4.2.4.1 Cost Structure

The cost structure is made up of the company expenditures, including all the fixed and variable costs. In the first year of trading this will be kept to a minimum, and the office space will be based at the owner’s residence until the company can afford a bigger room space. Office costs will be including a budget for office supplies, and utility bills, although this will be minimal whilst working from home.

Other costs will include advertising and P.R budgets which will also be set aside for advertising in publications and for promotional competition prizes for website customers. Other costs will include branded packaging, and confectionary for each customer purchase. Additionally, a contract will be set up with a photographer for the Spring/Summer and Autumn/Winter collections. A more cost effective agreement will be made, where the photographer will be contracted per day for the photo shoot to photograph the whole collection. Any stock held by stockists should be kept to a minimum, as this will result in money being tied up.
A one off payment will be made to the freelance website designer, and thereafter maintaining the website through the monthly web hosting package. There will be minimal maintenance costs however as the website will have an integrated Control Management System (CMS) which does not require coding knowledge. This allows the administrator to make relevant amendments to information as and when required through the user friendly management options. There will also be the occasional travel costs to trade fairs and craft fairs throughout the year.

4.2.4.2 Revenue Streams

The revenue streams show how Saysh Boutique will generate an income.

The majority of the sales are expected to be made through the online website. For the ready to wear range there will be additional postage and package charges for next day delivery (£5), or standard delivery (£3). However for the customisation services, the customer will be notified when the product is ready to dispatch so they can specify their delivery preferences.

Other revenue will come from the sales from the potential online stockists, shops and Galleries. The stock will be sold at wholesale price for the ready to wear range (which will be including a profit) to the shops. However Galleries tend to hold the stock and make a payment when the sale is made, which would result in money being held up. Other sources of income would be generated by selling at the Great Northern Craft Fair, Liverpool Design Show and London Craft Fairs which are held throughout the year.
4.3 Summary of Saysh Boutique’s business model

The proposed business model was outlined in light of the current external influencing factors, internal factors, and market conditions. However, these factors and market conditions are ever-changing, so the business model will need to be re-analysed as Saysh Boutique grows. Alternatively, a business map (figure 4.2) can be created which will combine several business models in light of each future scenario proposed.

Figure 4.2: Business model map of several scenarios
4.4 Development Plan

Figure 4.3 is a Gantt chart for the company’s development plan, detailing the progress activities from the start-up preparation phase through to the brand launch. These activities will be broken down and further explained detailing when the business could start trading and key milestones along the way.

<table>
<thead>
<tr>
<th>ID</th>
<th>Business Development Plan:</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>START-UP PREPARATION:</td>
<td>196 days</td>
<td>Tue 01/06/10</td>
<td>Tue 01/03/11</td>
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<tr>
<td>2</td>
<td>Business start-up research</td>
<td>122 days</td>
<td>Tue 01/06/10</td>
<td>Wed 17/11/10</td>
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<tr>
<td>3</td>
<td>Finance</td>
<td>14 days</td>
<td>Tue 16/11/10</td>
<td>Fri 03/12/10</td>
</tr>
<tr>
<td>4</td>
<td>Prepare business plan</td>
<td>7 days</td>
<td>Wed 17/11/10</td>
<td>Thu 25/11/10</td>
</tr>
<tr>
<td>5</td>
<td>Secure finance</td>
<td>7 days</td>
<td>Thu 25/11/10</td>
<td>Fri 03/12/10</td>
</tr>
<tr>
<td>6</td>
<td>Design</td>
<td>38 days</td>
<td>Mon 18/10/10</td>
<td>Wed 08/12/10</td>
</tr>
<tr>
<td>7</td>
<td>Design logo and branding</td>
<td>6 days</td>
<td>Mon 18/10/10</td>
<td>Mon 25/10/10</td>
</tr>
<tr>
<td>8</td>
<td>Register company name</td>
<td>28 days</td>
<td>Tue 26/10/10</td>
<td>Thu 02/12/10</td>
</tr>
<tr>
<td>9</td>
<td>Apply for trading licence</td>
<td>28 days</td>
<td>Tue 26/10/10</td>
<td>Thu 02/12/10</td>
</tr>
<tr>
<td>10</td>
<td>Apply for trademark registration</td>
<td>28 days</td>
<td>Tue 26/10/10</td>
<td>Thu 02/12/10</td>
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<tr>
<td>11</td>
<td>Complete design work (R2W range)</td>
<td>30 days</td>
<td>Tue 26/10/10</td>
<td>Mon 06/12/10</td>
</tr>
<tr>
<td>12</td>
<td>Apply for registration design</td>
<td>32 days</td>
<td>Tue 26/10/10</td>
<td>Wed 08/12/10</td>
</tr>
<tr>
<td>13</td>
<td>Website</td>
<td>60 days</td>
<td>Mon 11/10/10</td>
<td>Fri 31/12/10</td>
</tr>
<tr>
<td>14</td>
<td>Buy and register domain names</td>
<td>5 days</td>
<td>Tue 26/10/10</td>
<td>Mon 01/11/10</td>
</tr>
<tr>
<td>15</td>
<td>Website design (outsource)</td>
<td>60 days</td>
<td>Mon 11/10/10</td>
<td>Fri 31/12/10</td>
</tr>
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<td>16</td>
<td>Register Business Paypal account</td>
<td>5 days</td>
<td>Fri 24/12/10</td>
<td>Thu 30/12/10</td>
</tr>
<tr>
<td>17</td>
<td>Sign up for a web hosting package</td>
<td>1 day</td>
<td>Fri 24/12/10</td>
<td>Fri 24/12/10</td>
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<tr>
<td>18</td>
<td>Launch website (not to trade, just market)</td>
<td>1 day</td>
<td>Fri 31/12/10</td>
<td>Fri 31/12/10</td>
</tr>
<tr>
<td>19</td>
<td>Suppliers/Manufacturing</td>
<td>20 days</td>
<td>Wed 17/11/10</td>
<td>Tue 14/12/10</td>
</tr>
<tr>
<td>20</td>
<td>Contact supplier (request fabric samples)</td>
<td>7 days</td>
<td>Wed 17/11/10</td>
<td>Thu 25/11/10</td>
</tr>
<tr>
<td>21</td>
<td>Send colour samples for print</td>
<td>7 days</td>
<td>Thu 25/11/10</td>
<td>Fri 03/12/10</td>
</tr>
<tr>
<td>22</td>
<td>Send final design specs for print (R2W range)</td>
<td>7 days</td>
<td>Mon 06/12/10</td>
<td>Tue 14/12/10</td>
</tr>
<tr>
<td>23</td>
<td>Collection 1 (R2W range) ready</td>
<td>1 day</td>
<td>Tue 14/12/10</td>
<td>Tue 14/12/10</td>
</tr>
<tr>
<td>24</td>
<td>Final preparations</td>
<td>13 days</td>
<td>Wed 15/12/10</td>
<td>Fri 31/12/10</td>
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<td>25</td>
<td>Photo shoot for collection1 (R2W)</td>
<td>2 days</td>
<td>Mon 15/11/10</td>
<td>Tue 16/11/10</td>
</tr>
<tr>
<td>26</td>
<td>Add final content to website</td>
<td>6 days</td>
<td>Fri 24/12/10</td>
<td>Fri 31/12/10</td>
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<tr>
<td>27</td>
<td>Stockists</td>
<td>40 days</td>
<td>Mon 03/01/11</td>
<td>Fri 25/02/11</td>
</tr>
<tr>
<td>28</td>
<td>Approach and finalise stockists</td>
<td>36 days</td>
<td>Mon 03/01/11</td>
<td>Mon 21/02/11</td>
</tr>
<tr>
<td>29</td>
<td>Collection 1 dispatched to stockist</td>
<td>5 days</td>
<td>Mon 21/02/11</td>
<td>Fri 25/02/11</td>
</tr>
<tr>
<td>30</td>
<td>BRAND LAUNCHED:</td>
<td>219 days</td>
<td>Tue 01/03/11</td>
<td>Fri 30/12/11</td>
</tr>
<tr>
<td>31</td>
<td>Plan advertising and press coverage</td>
<td>46 days</td>
<td>Fri 31/12/10</td>
<td>Fri 04/03/11</td>
</tr>
<tr>
<td>32</td>
<td>Launch party at stockist’s premises</td>
<td>1 day</td>
<td>Fri 04/03/11</td>
<td>Fri 04/03/11</td>
</tr>
<tr>
<td>33</td>
<td>Website can start trading (incl. other services)</td>
<td>219 days</td>
<td>Tue 01/03/11</td>
<td>Fri 30/12/11</td>
</tr>
</tbody>
</table>

Figure 4.3: Gantt chart for business development
4.4.1. Year One strategy:

Figure 4.4 shows the business development from June 2010, when the initial business idea was being developed (which was actually in progress from September 2009 with the commencement of the MEnt course) till Oct 2010. At this phase the majority external business environment issues had been analysed, and market research was being conducted. By the end of Oct 2010 the design work will have been completed for branding, and the design work for the ready-to-wear (R2W) collection will be in progress. Domain names will be bought and with the company name registered, the website construction will be underway. Towards the end of October the trading licence, trademark registration, and design registration will be applied for.

![Development plan June 2010-Oct 2010](image-url)
By November (figure 4.5) a business plan will be finalised and finance will be obtained, through NatWest’s Enterprise Finance Guarantee Scheme for new business start up loans (£1,000-10,000). Additionally the Prince’s Trust can provide grants for business start up and projects (subject to funding available and eligibility), so this option will also be explored. Other finance will come from personal savings.

Securing finance will be a vital mile stone as the remainder of the business start up phases and progress will depend on funding. Towards the end of November the company name and trademark will have been registered, and with the trading licence obtained another key milestone will be achieved.

![Figure 4.5: Development plan November 2010](image-url)
Figure 4.6 shows the development for all design work for the collection will have been completed by December, and the company will be ready to start manufacturing. Suppliers will be requested to send fabric samples, from which the fabric selection will be made. Samples from the final R2W collection will be sent for printing to test colour accuracy and print quality. Once the samples will have passed quality assurance, the final design specifications will be sent for printing. Upon receiving the printed and finished products, the collection will be full ready for the photo shoot. The photography will be used throughout the website, advertising, and upcoming marketing literature for the Spring/Summer 2011 collection.

Towards the end of December 2010 with the completion of the website, a Paypal business account will be registered and a web hosting package purchased. Although the website will be ready to launch, it will not be transactional at this stage as the purpose of the launch will be for the marketing and advertising strategies.

Figure 4.6: Development plan December 2010
The New Year will begin by approaching potential stockists. It will be vital to ensure that these stockists reflect the brand image of Saysh Boutique, as offline these shops will be the physical contact between the company and its customers. This will therefore be conducted thoroughly, through January.

Advertising and press planning will still remain in progress, which will include preparations and Invitations being made for the big launch in March.

![Figure 4.7: Development plan January 2011](image-url)
By the end of February (Figure 4.8) the business start up preparation will be drawing to an end. At this point suitable stockists will have been finalised, and relevant stock will have been dispatched to them. The Invitations for the launch will have been sent out, expecting a good turnout at the launch party.

![Figure 4.8 Development plan February 2011-March 2011](image)

Finally, in March there will be an invitation only VIP launch party, marking the launch of the brand. Local press, business people from around the region, high-profile media names, friends and family will be expected to attend. It will be an evening of live entertainment, with drinks and canapés served to guests, followed by a fashion show preview of the Spring/Summer accessories collection. The website will be fully transactional and Saysh Boutique will start trading.
4.4.2 Year two

By year two, it is expected that Saysh Boutique’s customer data base will have grown steadily. The network of stockists will have extended across the North West in exclusive high-end boutiques of Cheshire and Liverpool. The accessories collection will have expanded to include a bag range and jewellery line, which will also have a standard customisation service similar to the scarves range. The brand will also be aiming to branch out into London. As different regions and wider markets are reached, external business environments will also need re-analysing as the market conditions are constantly changing.

4.4.3 Year three

By year three, Saysh Boutique will have linked the .com domain name to the website, allowing the brand to enter the international market. Further market research, analysis of the external market, and influencing factors will need to be investigated in relation to the global market. International trade fairs will be attended to build the business network and clientele. If sales continue to grow, plans for the first UK Saysh Boutique Flagship store can begin.

Ultimately the company will also launch a social enterprise project, ‘Creative Hands’, which will be promoted through the Saysh Boutique website. ‘Creative Hands’ will be a social project aimed at women from deprived countries, encouraging them to become independent by incorporating their creative craft skills into making accessories for a living. Their hand made products will be sold online, through a sub-site linked to Saysh Boutique.
5.0 Financial Analysis

5.1 Introduction

This previous chapter examined the potential model for Saysh Boutique, outlining possible developments and when the company is expected to start trading. The following chapter will analyse the financial position of Saysh Boutique through the duration of three years. As the business has not yet been launched predictive financial statements may used to make critical assumptions and the potential impact they may have, including the success factors for the business.

5.2 Company expenses

As the business will initially run from home (assuming work is done from home and design files are emailed to the print specialists), costs such as travel and studio rent do not need to be included in overhead costs. All other overhead costs (including, labour, electricity, lighting, heating costs ect) are factored into a £15 per hour, labour cost (standard cost for freelancers design and production work). The main expenses in the first year will include business rates (2010 rate used as 2011 rate is not available), the one-off cost of the website, branding and packaging and confectionary. Stock will not be accounted for, as only one of each design will be produced for the photography and then sold to the stockists. The rest will be made as ordered to prevent holding stock. Other expenses will be spread out throughout the year including trade shows, accountant fees, seasonal advertising and photography for the website. As the brand grows in year two and three, the budgets for trade shows, advertising and packaging will also be increased (Please see appendix 1 for year one, two and three expenses and sales forecast).
5.3 Sales forecasts

The total costing of a scarf had been included in appendix 2, with a 40% profit margin included, taking the total price for one scarf to £140. The break even analysis (appendix 3) shows that in order to break even, Saysh Boutique must sell 120 scarves (£16,800). The sales forecast for the first year will begin in February as the photographed scarves will be sold to stockists, ready for the launch in March. It is predicted that through the online sales and stockists, Saysh Boutique will sell 210 scarves in the first year, so will break even towards the end of 2011. Peak sales will be seen around the summer and Christmas period, which are known to be busier retail periods.

In year two, online sales will begin to increase as the brand becomes more exposed. Sales have been forecasted to increase by 2 units a month, with an overall sales forecast for the end of 2012 at 266 scarves. By year three, it is expected that Saysh Boutique’s customer data base will have grown steadily. The network of stockists will have extended across the North West and the .com domain will be launched allowing the brand to enter the international market. For this reason, an increase in sales by 4 scarves a month from the previous year is expected, with the total yearly predictive sales at 366 units. Furthermore, there will be higher peaks during the summer and Christmas periods as the brand will be exposed to a much wider target market (please see appendix 4 for the predictive sales forecasts).

5.4 Profit and loss statement

The profit and loss statement measures the financial performance of the business, and includes all expenses and income for the financial trading year. This also allows the calculation of corporation tax, which all public limited companies have to pay. Appendix 5 shows the profits and loss statement for the financial year ending December 2011 for Saysh Boutique.
5.5 Cash flow forecasts

The opening balance at the start of January 2011 will be £10,000 (from a business start-up loan). A personal saving of £5,000 would be sufficient to start the business, however it would be best to secure a loan so that the business is not financially restricted. This would also keep a healthier cash flow. It is expected that the loan will be paid off earlier, or in larger instalments when the business generates higher revenue. All cash flow entries have been predicted based on possible expenses and predictive sales as the business is not yet trading. Business rates will apply as the residence will be registered as the place of work. Corporation tax will also apply as the business will be established as a public limited company. In the first year, the turnover is predicted to be £29,618, and so Saysh Boutique does not have to register to pay VAT as this amount is below the current ‘VAT threshold’ of £70,000 (please see appendix 6 for VAT calculations). By the end of year two, the company should register for VAT as the closing balance at the end of the year is predicted to be £53,493. In year three the company will be paying VAT as the company turnover will be above the £70,000 threshold, however as the VAT on sales is higher than VAT on purchases the company can claim it back in four (http://www.hmrc.gov.uk). Please see appendix 7 for cash flow forecasts.

Overall this chapter has analysed the financial position for Saysh Boutique, which will be taken into account when determining the favourability to enter the accessories market.
6.0 Conclusion

The enterprise dissertation aimed to evaluate how attractive the accessories market would be, and the viability of successes for the proposed business. Initially the project concept and USP were defined, which led to an outline of the proposed market for the business, with an understanding of the surrounding business environments and their impacts. Furthermore, risks were outlined as well as possible outcomes in relation to the products and service provided, identifying the implications for commercialisation of the business. After proposing a business model for the venture, a financial analysis was drawn to assess the critical success factors.

Based on primary and secondary research undertaken during both parts of the dissertations (subject and enterprise side), the following chapter will draw conclusions in relation to the success factors within the market for Saysh Boutique as a new entrant.

Mintel reports state that the UK accessories market will see a rise in sales in the next 5 years as the number of women with higher disposable incomes will increase. (Mintel, 2009). Furthermore, despite of the recession, the online market has shown to be the most resistant to economic instability. The UK online market continues to grow rapidly, increasing by 26% to £4.12 billion in 2009 (Mintel, 2009). Moreover, ‘at a time when consumer spending is at a low, businesses in this sector appear to be thriving’, suggesting that consumers are shifting from bricks and mortar stores towards online retail (Datamonitor, 2009), with the average UK online shopper spending around £1,600 a year (IMRG, 2009).

In addition, technological developments, internet expansion and increasing internet speeds are leading to interesting propositions for consumers. Retailers are moving across channels to create a stronger brand identity and brand awareness. This is leading to an improved online experience through customer satisfaction, convenience and enjoyment (through entertainment elements), which works to enhance the customer-retailer relationship. Although Saysh
boutique will be primarily retailing online, the brand can also retail across channels, by finding appropriate stockists where the products can be promoted.

Furthermore, as the accessories market has been most resistant to economic conditions and is steadily growing, it would be a favourable market to enter. Although there is high competition due to the number of retailers in the UK womenswear market, it is an attractive industry as entry barriers are low. However, there are several risks associated to the market. Design infringement is a common risk faced by retailers which can minimised by incorporating the relevant I.P to protect designs. Other risks such as online fraud and poor response to fashion trends can be minimised by having contingency plans in place.

Moreover, it should be noted that the digital printing of the scarves will be reliant on outsourcing to print specialists (digital printing companies), as it is expensive to buy and maintain the digital printing machines. It will therefore be beneficial to the company to have a selection of print specialists in order to increase the bargaining power of the company. Power to suppliers and buyers can be reduced by differentiating from competition.

Similarly, threat of substitutes and potential entrants may be reduced by establishing and sustaining a competitive advantage. However, as Saysh Boutique has a strong USP there is not much competition regionally in the North, as there is only one other luxury scarf brand but this does not offer customised accessories. In order to gain an advantage from competition, Sash Boutique will need to differentiate from competition and build a clear recognisable brand image, and as the brand establishes build customer loyalty. The key to this is to identify the target market segments and to cater to the target customers’ specific needs. Thus it would be vital for Sash Boutique to know its target customer better, in order to cater for their needs and remain at a competitive advantage from potential entrants.
Moving on, a proposed business model was outlined in light of the current external influencing factors, internal factors, and market conditions. However these factors and market conditions are ever changing, so the business model will need to be re-analysed as Saysh Boutique grows or expands into other markets (different regions or the international market).

Overall, the online accessories market is a favourable market to enter as Saysh Boutique has a USP which will differentiate from competition, and in light of the financial analysis it would seem that there is a positive chance of business success.
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APPENDIX 1: expenses and sales forecasts

Year 1:

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<th>20%</th>
<th>Excluding VAT</th>
<th>Inflation 4%</th>
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<tr>
<td>Including VAT</td>
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*Excluded from VAT, paid monthly

**One off, paid in Oct

---

2011 sales (stockists) figures
2011 online sales

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73
Year two:

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<th>Including VAT</th>
<th>Excluding VAT</th>
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<th>Payments</th>
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<td>one off. Paid in Jan seasonal cost, paid twice a yr</td>
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<td>£312</td>
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<td>Confectionary**</td>
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<td>seasonal cost, paid twice a yr</td>
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2011 sales (stockists) figures
2011 online sales

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<th>Apr</th>
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<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
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<th>Oct</th>
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<td>Trade show</td>
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<td>£493.94</td>
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<td>£394.00 one off, bulk order. Paid in Jan</td>
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<td>£310.68</td>
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### 2011 sales (stockists) figures

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<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
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<td>15</td>
<td>15</td>
<td>14</td>
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### 2011 online sales

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<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<td>11</td>
<td>12</td>
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<td>13</td>
<td>14</td>
<td>21</td>
<td>175</td>
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</table>

Sales increase by 4 transactions a day, plus 4 for December to account for the busy periods.
Appendix 2: Costing breakdown for Design:

Print Specifications:

Cloth description: 1m x 1m Silk scarf, unlimited colour digital print

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<th>Print method</th>
<th>Digital</th>
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<tr>
<td><strong>Base cloth</strong></td>
<td>Silk twill 18 oz</td>
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<tr>
<td><strong>Width of base fabric</strong></td>
<td>100 cm</td>
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<tr>
<td><strong>Cost of base cloth</strong></td>
<td>Included in printing service</td>
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<tr>
<td><strong>No. of colours</strong></td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Print media</strong></td>
<td>Reactive dyes</td>
</tr>
<tr>
<td><strong>Repeat size</strong></td>
<td>1m x 1m</td>
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<tr>
<td><strong>Pre dyed cloth used</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Suggested end use</strong></td>
<td>Ready-2-wear scarf (limited no. of designs)</td>
</tr>
<tr>
<td><strong>Repeat layout</strong></td>
<td>Multi-directional placement print</td>
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Production Costs:

Costs based on a 1-3 metre run for one off designs

<table>
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<th>Printing costs:</th>
<th>Cost/metre (pence)</th>
<th>Cost/ metre (£)</th>
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<tbody>
<tr>
<td>Print cost</td>
<td>2500</td>
<td>25.00 (including 20% VAT)</td>
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<tr>
<td>Base fabric cost</td>
<td>0.00</td>
<td>Included in printing service</td>
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<tr>
<td>Finishes:</td>
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<td></td>
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<tr>
<td>steaming</td>
<td>50</td>
<td>0.50</td>
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<tr>
<td>Foiling</td>
<td>10</td>
<td>0.10</td>
</tr>
<tr>
<td>Hemming cost</td>
<td>0.00</td>
<td>Included in printing service</td>
</tr>
<tr>
<td>Total labour cost</td>
<td>7500 (£15* x 5hrs)</td>
<td>75.00</td>
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<tr>
<td>Total direct cost</td>
<td>10060</td>
<td>100.60</td>
</tr>
<tr>
<td>Profit margin at 40%</td>
<td>4024</td>
<td>40.24</td>
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<tr>
<td>Total cost</td>
<td>14084</td>
<td>140.84</td>
</tr>
<tr>
<td><strong>Total price per 1m scarf</strong></td>
<td>14084</td>
<td><strong>£140.84</strong></td>
</tr>
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</table>
*Assuming design would be made working from home and design files emailed to print specialists, overheads such as travel and studio rent do not need to be included, all other overhead costs (labour, electricity, lighting, heating costs etc) are factored into this £15 an hour cost.

Other costs:

Website= £2500 incl. webhosting and maintenance (20% taken during development, £500, rest taken on launching website)

Photography= £200 per day, (£400, 2 days to shoot whole collection x2 seasons)
APPENDIX 3: BREAK EVEN ANALYSIS

Year one: Break even analysis (break even at 120 units at £16,800)
APPENDIX 4 and 7: PREDICTIVE SALES FORCASTS and CASHFLOW FORECASTS

Year 1:

<table>
<thead>
<tr>
<th>Revenues, £</th>
<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
<th>Jul-10</th>
<th>Aug-10</th>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>sales from stockists</td>
<td>£1,800</td>
<td>£940</td>
<td>£860</td>
<td>£1,400</td>
<td>£1,020</td>
<td>£2,100</td>
<td>£1,430</td>
<td>£1,360</td>
<td>£3,280</td>
<td>£1,590</td>
<td>£1,120</td>
<td>£1,650</td>
</tr>
<tr>
<td>online sales</td>
<td>£790</td>
<td>£540</td>
<td>£1,170</td>
<td>£1,740</td>
<td>£1,260</td>
<td>£2,170</td>
<td>£1,540</td>
<td>£2,170</td>
<td>£3,280</td>
<td>£1,590</td>
<td>£1,120</td>
<td>£1,650</td>
</tr>
</tbody>
</table>

Total Cash In: £1,580 £1,540 £1,820 £2,520 £3,560 £3,783 £2,940 £2,393 £2,240 £2,240 £3,560

Payments, £

| Business rates* | £96 | £96 | £96 | £96 | £96 | £96 | £96 | £96 |
| website | £500 | £500 |
| Trade show | £500 |
| Photography | £290 |
| Packaging | £150 |
| Business rate** | £310 |
| Advertising | £520 |
| Start up loan payment | £208 | £208 | £208 | £208 | £208 | £208 | £208 | £208 |
| Corporation Tax | £500 | paid every |

Total Cash Out: £1,419 £1,324 £1,384 £1,384 £1,384 £1,384 £1,384 £1,384 £1,384 £1,384 £1,384 £1,384

Cash Flows, £

| Opening Balance | £10,000 | £10,500 | £10,361 | £10,477 | £11,903 | £14,209 | £17,365 | £20,741 | £23,377 | £24,345 | £25,588 | £26,425 |
| Net Cash Flow | £0 | £51 | £217 | £3,516 | £2,100 | £3,096 | £3,479 | £2,535 | £1,458 | £1,458 | £1,458 | £1,458 |
| Closing Balance | £10,000 | £10,251 | £10,477 | £11,393 | £14,209 | £17,265 | £20,741 | £23,377 | £24,345 | £25,588 | £26,425 | £27,883 |
### Year 2:

<table>
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<th>Receipts, £</th>
<th>Jan-10</th>
<th>Feb-10</th>
<th>Mar-10</th>
<th>Apr-10</th>
<th>May-10</th>
<th>Jun-10</th>
<th>Jul-10</th>
<th>Aug-10</th>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales from stockists</td>
<td>£1,400</td>
<td>£1,540</td>
<td>£1,120</td>
<td>£1,200</td>
<td>£1,000</td>
<td>£2,100</td>
<td>£2,300</td>
<td>£1,900</td>
<td>£1,540</td>
<td>£1,640</td>
<td>£1,400</td>
<td>£1,600</td>
</tr>
<tr>
<td>Online sales</td>
<td>£1,120</td>
<td>£1,200</td>
<td>£800</td>
<td>£1,120</td>
<td>£1,400</td>
<td>£1,820</td>
<td>£1,060</td>
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<td>£1,500</td>
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<td>£1,400</td>
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<tr>
<td><strong>Total Cash In</strong></td>
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<td>£2,740</td>
<td>£2,120</td>
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**Payments, £**

| Business rates* | £0  | £0  | £0  | £0  | £0  | £0  | £0  | £0  | £0  | £0  | £0  | £0  |
| Trade show | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 |
| Packaging | £150 | £150 | £150 | £150 | £150 | £150 | £150 | £150 | £150 | £150 | £150 | £150 |
| Legal fees | £125 | £125 | £125 | £125 | £125 | £125 | £125 | £125 | £125 | £125 | £125 | £125 |
| Accountant | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 | £1,000 |
| Total Cash Out | £950 | £919 | £1,344 | £1,304 | £1,394 | £1,304 | £1,304 | £1,394 | £1,304 | £1,304 | £1,304 | £1,304 |

**Cash Flow, £**

| Opening Balance | £22,812 | £22,794 | £22,876 | £20,031 | £32,007 | £34,033 | £36,286 | £42,355 | £45,731 | £47,659 | £46,201 | £49,737 |
| Net Cash Flow | £2,424 | £1,881 | £775 | £2,075 | £2,775 | £3,615 | £4,035 | £5,195 | £7,224 | £1,455 | £3,755 |
| Closing Balance | £25,236 | £24,675 | £22,851 | £20,301 | £32,782 | £36,748 | £38,301 | £47,550 | £53,056 | £54,877 | £50,656 | £53,493 |
### Year 3:

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<th>Apr-10</th>
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</thead>
<tbody>
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<td>£2,775</td>
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APPENDIX 5: profit and loss statement
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<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of scarves sold</td>
<td>200</td>
</tr>
<tr>
<td>Sales price of scarves</td>
<td>£40</td>
</tr>
<tr>
<td>Total costs of units</td>
<td>£28,000.00</td>
</tr>
<tr>
<td>Production costs (fixed costs)</td>
<td>£19,326.00</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>£8,674.00</td>
</tr>
</tbody>
</table>

*Business rates*<sup>**</sup> **£1,155.00** *(excluding VAT) exclusive of utility usage*

- Advertising: **£606.09**
- Website: **£606.09**
- Trade show: **£1,177.27**
- Photography: **£365.84**
- Packaging: **£227.27**
- Confidential: **£318.00**
- Accountant: **£911.96**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total depreciation</td>
<td><strong>£5,430</strong></td>
</tr>
<tr>
<td>Interest on start-up loan</td>
<td><strong>£346.27</strong></td>
</tr>
<tr>
<td>Total interest on loans</td>
<td><strong>£346</strong></td>
</tr>
</tbody>
</table>

**Operating Activities**

**Sales**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scarves sold</td>
<td>£28,000</td>
</tr>
<tr>
<td>Total Sales</td>
<td><strong>£28,000</strong></td>
</tr>
</tbody>
</table>

**Cost of Sales**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scarves production cost x 200</td>
<td>£19,326</td>
</tr>
<tr>
<td>Total cost of sales</td>
<td><strong>£19,326</strong></td>
</tr>
<tr>
<td>Gross Profit (sales revenue - total cost of sales)</td>
<td><strong>£8,674</strong></td>
</tr>
</tbody>
</table>

*Explain these figures in your report.*
### Fixed Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business rates**</td>
<td>£1,155.00</td>
</tr>
<tr>
<td>Advertising</td>
<td>£909.09</td>
</tr>
<tr>
<td>Website</td>
<td>£909.09</td>
</tr>
<tr>
<td>Trade show</td>
<td>£1,177.27</td>
</tr>
<tr>
<td>Photography</td>
<td>£363.64</td>
</tr>
<tr>
<td>Packaging</td>
<td>£227.27</td>
</tr>
<tr>
<td>Confectionary</td>
<td>£315.00</td>
</tr>
<tr>
<td>Accountant</td>
<td>£373.86</td>
</tr>
</tbody>
</table>

(salary is a fixed cost, any overtime is variable)

### Total Fixed Costs

- Total: £5,430
- Net Profit: £3,244

### Total financing costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total interest on loans</td>
<td>£346</td>
</tr>
<tr>
<td>Total depreciation on assets</td>
<td>£5,430</td>
</tr>
</tbody>
</table>

### Taxes

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation tax</td>
<td>£609.34</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>-£3,141</td>
</tr>
</tbody>
</table>

For more information on Corporation tax, visit [HMRC Corporation Tax Calculator](http://mrrcalculator.hmrc.gov.uk/MRR2.aspx)
APPENDIX 6:

VAT calculations

*Calculating VAT:

If VAT on sales is lower than VAT on purchases the company has to pay VAT. If it is the other way round the company can claim back vat. ([http://www.hmrc.gov.uk/vat/start/introduction.htm](http://www.hmrc.gov.uk/vat/start/introduction.htm))

Vat is calculated by Vat charged on Sales minus Vat paid on purchases (includes fixed and variable costs).

**Vat on purchases:** on variable costs

20% x production costs= 20% x 96.63 = £115.95 for 1 unit

115.95 x 200 (units produced) = £23,191.12
115.95 x 366 (units produced) = £42,163.20

Vat on purchases: on fixed costs

N.a

**VAT on paid purchases**= £23,191.12
**VAT on paid purchases** = £42 163.20

Then

**VAT on sales:**

200 (units produced) x selling price = 200 x 140 = £28 000 excluding VAT

366 (units produced) x selling price = 366 x 140 = £51 240 excluding VAT

So

£28 000 x 20% = 28 000 x 1.2

= £33 600 VAT on sales

£51 240 x 20% = 51 240 x 1.2

= £61 488 VAT on sales

Then:

**Vat on sales – vat on purchases**

**Vat on sales – vat on purchases**

£33 600 - £23 191.12
Vat on sales – vat on purchases

£61 488 - £42 163.20

= £19 324.80 total VAT

The VAT on sales is higher than VAT on purchases so the company can claim back VAT. This can be paid monthly (VAT/12) or quarterly (VAT/4) to improve the cash flow. However, as the company turnover is £28,000 in the 1st year, the company does not have to register to pay VAT as this amount is below the current ‘VAT threshold’ of £70,000. Only if the company goes over this threshold VAT rates apply. (http://www.hmrc.gov.uk/vat/start/introduction.htm)

£19 324.80/4 = £4831.20
£19 324.80/12 = £1610.40

In year 3 the company will register for VAT as the company turnover will be above the VAT threshold, however as the VAT on sales is higher than VAT on purchases the company can claim back VAT in year 4.