**ASSIGNMENT**

**NAME**

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**DATE**

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# Product Description and type of enterprise

One of the most significant aspects of travelling is choosing the right travel shoes. The importance of matching shoes to the place is especially crucial when going to wet, snowy, or non-city destinations. A pair of flats, for instance, isn't suited for hiking in Iceland, and a pair of heavy-duty climbing boots is certainly excessive for traversing the streets of Paris. As a result, we strive to provide travellers with the most comfortable, durable, and attractive trekking boots possible. They are one of the most crucial components of hiking equipment, because the quality and durability of them may influence a traveler's ability to walk great distances without being injured. Our trekking boots are made to give comfort for walking large distance across tough terrains and look elegant at the same time. Trekking footwear is designed to preserve the feet and ankles when trekking across difficult terrain. It also has a strong grip, keeps your feet dry, and is light enough to move around in with ease. The growing popularity of adventure activities such as mountain biking, rock climbing, cave delving, and others is driving up demand for the product, which protects the feet from debris and slick terrain. Furthermore, as the number of tourists to historic structures and archaeological sites grows, so does the traction for the product, as seeing those areas typically entails many hours of walking (Viglia and Dolnicar, 2020). Partnership will be adopted as the type of enterprise where multiple individuals will be sharing ownership and having decision making power. The below table provides insights into the current trekking boots market sales in the world, showing the rise in demand for the product:



*Source: Data Intelo*

Although trekking boots are designed to be worn on rugged terrains, they may also be worn on the street or in more informal situations. In fact, trekking boots can give even more support when walking. Trekking boots, on the other hand, have a reputation for being thicker and bulkier than conventional shoes, and for wearing out more quickly with casual usage (Palvia et al., 2018). As a result, we hope that our hiking boots can assist in dispelling this notion in people's minds.

## Product Name

The name chosen for our trekking boots is Voguish. The literal meaning of the term is fashionable and smart which is exactly what our brand is aiming for through our product of trekking boots. As discussed earlier, trekking boots, have a reputation for being thicker and bulkier than conventional shoes, and for wearing out more quickly with casual usage (Cheong, 2021). As a result, we hope that our trekking boots can assist in dispelling this notion in people's minds. Through our trekking boots, we are aiming to offer the consumers with an all in one product which would offer them comfort, support as well as look fashionable, all at the same time.

# Market Segments

Market segmentation, in its most basic sense, is the act of breaking a company's target market into manageable and accessible segments (Dolnicar et al., 2018). Sub-segments will be created based on requirements, demographics, priorities, similar interests, and behavioural and psychographic factors, among other things.

The method for determining segments differs from one firm to the next. Geographic, demographic, psychographic, and behavioural segmentation are the four categories that Voguish shall use to segment its market.

The company will incorporate various age categories, gender, and the customer's financial standing in its demographic segmentation. Our items will be divided into gender and age groups, with the majority of our customers being between the ages of 15 and 55. The products will be divided into three categories: men's, women's, and children's. In some situations, we will provide promotions, discounts, or price reductions to help save money. To persuade clients to buy our items, the company's special offers may fall on special occasions.

One of our future planned tactics within our regional segmentation is the existence of physical stores in various regions of the UK. This part recognises that each location has its own unique lifestyles and traditions. The firm will launch a variety of items to fulfil the demands of clients in diverse places. We'll run a number of promotional initiatives in different parts of the world. In addition, we will tailor our campaigns in different locations to match the specific demands of our consumers. Our most important markets will be Birmingham, Manchester, and other cities where the company will do more segmentation and concentrate on metropolitan regions.

Our psychographic segmentation will focus on providing our clients with a variety of items that will meet their demands and interests. This level of market segmentation will allow us to investigate each customer's preferences.

Finally, Voguish's behavioural segmentation focuses on offering clients with perks such as comfortable footwear, notably trekking boots. In order to suit the desires of each consumer, Voguish will design a succession of variations for a product. If clients utilise Voguish's products, they will get the sense of being expert hikers. We'll also increase client involvement by providing a variety of high-quality, unique items to pick from. More significantly, Voguish will enable its target demographic to share their experiences with family and friends via the internet and other social media platforms, including product evaluations. This will in turn have a major impact on client purchase behavior.

# 2.1 Value Proposition

An value proposition is a crucial reason for a specific plan of action and a significant instrument for scrutinizing one's business speculation in reality. It's a value guarantee that will be given and passed on to the client over the span of a drawn out product expectation (Mohd Satar et al., 2019).

The Voguish value proposition will concentrate on giving clients with a premium product built from the best possible materials and cutting-edge technology that is also trendy and used by top hikers and athletes while being affordable to everybody. Our value proposition will be divided into four parts:

### Accessibility

Voguish intends to expand to a variety of locations, initially locally and later internationally, in both official stores and outlets, as well as online stores and shipping. We will make our items simply available to clients so that they may use them in their daily lives.

### Customization

We will provide an online service that allows clients to customise and modify their items. We'll also open real studios in cities around the UK, such as Birmingham and Manchester.

### Innovation

This value proposition focuses on many areas of innovation. We want to incorporate a variety of research laboratories, with an emphasis on developing cutting-edge goods and infusing technology into them.

### Brand/Status

Joining together with inexperienced players would just be the start of this company's success. Voguish would later acquire contracts with the major leagues in the United Kingdom. Many others may be approached and enter into agreements with this brand, putting this value at the centre of our value offering.

# 3.0 Resource Need

Resources are those that are pivotal to the business and assist it with laying out an offer in support of its customers and convey the products to them. Such business resources are basic and vital for our organization's prosperity. It is as often as possible in light of both substantial and immaterial resources (Holbeche, 2009).

They are likewise viewed as pivotal firm resources, as they are important to foster the final result and are for the most part recognized from rivals by a couple of secret resources. The key resources which will be needed for our business include:

### Physical Resources

These are physical assets that the company will employ to develop a value offering and value proposition for its clients (Halasi et al., 2019). Equipment, inventories, a production plant, and a distribution network are all tangible resources we'll need to make our items. Physical resources are critical to the organization's success since our firm would struggle to run without resources like equipment, inventories, and a manufacturing site. A place shall be rented where the production and inventory will be managed.

### Human Resources

The capacity and strength of an association's workers are basic to its prosperity (Varadarajan, 2020). Accordingly, experienced people with a past record of skills in our main expertise area will be employed to guarantee that the organization's motivation and objectives are completed proficiently and capability. Various systems will be utilized to draw in solid representatives. Staffing organizations who work in conveying talent at all levels across all ventures will be reached to assist us in finding the perfect employees for our company. Another option is to look for personnel through referrals. Initially, 10 employees shall be hired who will be overlooking the customer service and manufacturing part while 10 others will be hired for the production plant. The wages of production plant employees shall be 15-20 pounds per hour while the other 10 employees will be paid on salary-basis and their salaries may range from 2500-4500 pounds monthly.

### Financial Resources

Funding is the most critical aspect of launching a business (Aranda-Uson et al., 2019). Our company will have to pay for a variety of initial expenses, such as registering a business name, getting a business phone line, and printing business cards. A multitude of avenues can be used to gain financial resources. In our case, we will borrow money from financial institutions and private investors to fund our operations. They will be contacted with a comprehensive business plan that will include all of the company's plans and expenditures. Private investors will be asked for a sum of amount for some equity in our business.

# 3.1 Operations Plan

Our operations approach is based on a three-step process that comprises design, packaging, and distribution.

### Production

We may not own the production factories since we will be renting space, but we will be the ones who hire the workers. The factory manufacture of shoes will be divided into three distinct portions. The shoe top, also known as the upper, the midsole, which covers the foot, and the outsole, sometimes known as the sole, are the three components. The midsole will be composed from a mix of materials including Polyurethane, Phylon and EVA, a flexible and foam like substance. The sole will be made up of a mixture of synthetic rubber compounds.

### Packaging and Distribution

Our package will be comprised of recyclable cardboard materials that provide a clean, well-known presentation of the visible tick. These properties apply to various parts of packaging materials, such as recyclable paper bags and so on. When it comes to the transportation of our products, the firm strives to reduce CO2 emissions into the atmosphere as well as carbon footprints. In terms of transportation, the corporation will mostly be involved in the movement of goods from one continent to another using cargo ships rather than aeroplanes.

# 4. Marketing Strategy

The 4Ps of marketing mix framework will be used to analyze our marketing strategy:

### Product

The corporate outputs provided to target clients are considered for this part of the marketing blend. The product blend alludes to the mix of these outputs (Lahtinen et al., 2020). Voguish's main product will be trekking boots at first. In this area, the company will gradually introduce new product lines. Later, the firm will, for example, provide running shoes, sneakers, and shoes for a range of other sports, such as cricket.

### Placing

The places where the organization's items are sold, open, or spread are illustrated in this part of the marketing blend (Thabit and Raewf, 2018). Since retail locations are decisively situated and effectively available in various commercial centers across the UK, retail outlets will be the most important sites where our products will be sold. Large corporations, such as Walmart, as well as tiny local and regional businesses, will be among the retailers. This 4P element additionally demonstrates that our items are available for purchase through the company's online shop (website). This will give access to organization and market information that will help corporate strategic arrangements for current and new products promoting plans and strategies.

### Promotion

This component of the marketing blend is likewise called the promotion marketing blend, and it alludes to the procedures Voguish will utilize to communication with its interest groups. To keep a solid brand picture, the organization will depend on outstanding product advertising (Andika and Susanti, 2018).

The company will depend fundamentally on advertising, especially partnering with high-profile big name endorsers like famous hikers which might cost roughly £5000. Individual selling by deals workers who urge target clients to buy the organization's products may likewise be considered for this component of the marketing blend. Direct advertising drives for the enterprise will incorporate direct contact with universities and different groups. Direct advertising is the act of connecting with associations to elevate products to its individuals (Sarkar and De Bruyn, 2021). Also, Voguish might utilize discounts and extraordinary offers every now and then to draw in new buyers and increment profits. The organization's business marketing procedures will be founded on these offers discounts.

Lastly, the brand will also rely on the power of social media marketing. The utilization of social media and informal venues to sell an organization's products is alluded to as social media promoting (SMM) (Mahmoud, 2018). Web-based media marketing will assist us with speaking with current purchasers and contact new ones while likewise advancing our expected culture, goals, or aims. Moreover, web-based media advertising offers built in information investigation devices which will help us track the performance of our campaigns. Facebook, Twitter and Instagram will mainly be used to market our products. Moreover, Instagram influencers shall be sent PRs to promote our products.

### Pricing

This part of the marketing blend characterizes the pricing that will be utilized by the organization to improve benefits while collecting the designated extent of the global market. Value based and premium estimating approach will be utilized by the association. Voguish will look at customer’s perception of item value while utilizing the value based estimating procedure. This worth will be used in the showcasing blend to compute the most extreme costs that clients will pay for the organization's things. In such manner, the premium pricing plan will involve excessive costs, which will be predicated on an exceptional marking system that will situate Voguish’s products as better in quality and worth than rival items.

# 5. Risks and Strategic Options

Various risks could impact an organization's activities in an exceptionally competitive sector like footwear retail. Acknowledging them can help the association in fostering various techniques to battle them (Lasloom, 2020). It will permit us to zero in on our essential open doors.

* Most organizations are working at an inconvenient second because of the post-covid economy. Indeed, even significant brands like Nike aren't invulnerable to the results. Financial budget pressures coming about because of the powerless economy might contrarily affect our development.
* The retail business is ready to take on new organizations that are representing a danger to the current ones. Many brands give top notch products at a lower cost, alluring more purchasers to them and maybe putting our business at risk.
* Assuming we can make attaches with non-benefit associations, we might have the option to make more things out of reused materials. It will add to the environmental cause while additionally passing the fitting message on to purchasers.

# 6. Financial Plan

The premises and physical resources will be acquired on rent or through lease. The costs are broken down in the table below:

Equipment & Set up Costs:

|  |  |  |
| --- | --- | --- |
| **Product** | **Prices** | **Cost.** |
| **Website development**  | £6000 | £6000 |
| **Production** | £600 | £1700 |
| **Rent** | £3000 | £3000 |
| **IT infrastructure**  | £3500 | £7000 |

The table indicates the prices and costs of the resources which will be needed for this business. Cost is the amount of money it spends to create a product or service that it sells while a customer's willingness to pay for a product or service is referred to as price.

### Legal Requirements

There are certain legal requirements which need to be fulfilled.

**Business registration**- Our company must be registered with the government. It asserts that starting a business is lawful in the United Kingdom.

**Patent registration**- The corporation has to file a patent application so that no one else may imitate our products.

**Partnership Agreement** – The partnership agreement with investors will be completed in such a way that it outlines future business agreements in terms of purchasing stakes in the company.

**Insurance Requirements-** Employee medical expenditures will be covered by the corporation, and library insurance will be included as well.

### Fixed Monthly Costs as Per Cash Flow

|  |  |
| --- | --- |
| **Items** |  **Costs** |
| **Wages and salaries** | £2500 |
| **Rent**  | £2000 |
| **Promotion**  | £850 |

The table above shows the fixed costs which will be borne by the company every month. It includes the costs of salaries of the employees, the rent of physical resources and costs of marketing efforts.

### Realistic Cash Flow Sales and Costs Forecast, Including Projections for Next 3 Years

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **January**  | **February** | **March** | **April** |  **May** | **June**  | **July** | **August** | **Sept** | **Oct**  | **Nov** | **Dec** | **Total** |
| **Sales 1:** | £3000 | £5000 | £6000 | £2000 | £1500 | £3500 | £5000 | £6000 | £7500 | £10000 | £12000 | £15000 | £76,500 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Loan** | £2000 | £2000 | £2000 | £2000 | £2000 | £2000 | £2000 | £7000 | £5000 | £8000 | £3000 | £3000 | £40000 |
| **Investment.** | £2000 | £2000 | £2000 | 0 | 0 | 0 | £2000 | £2000 | £2000 | £2000 | £2000 | £2000 | £18,000 |
| **Total Sales:** | £3000 | £5000 | £6000 | £2000 | £1500 | £3500 | £5000 | £6000 | £7500 | £10000 | £12000 | £15000 | £76,500 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SET UP COSTS TOTAL** | £1500 | £750 | £200 | £500 | £600 | £500 | £500 | £400 | £400 | £400 | £300 | £200 | £6,250 |
| **Direct Costs:** | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £18,000 |
| **TOTAL Direct Costs:** | £3000 | £2250 | £1700 | £2000 | £2100 | £2000 | £2000 | £1900 | £1900 | £1900 | £1800 | £1700 | £24,250 |
| **Fixed Costs:** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries  | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £1500 | £18,000 |
| Rent | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £12,000 |
| Staff Wages | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £2,400 |
| Utilities/Gas/Elec  | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £200 | £2,400 |
| Phones. | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £600 |
| Promotion & Ad. | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £750 | £9,000 |
| Website. | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £1,200 |
| Legal | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £600 |
| Maintenance  | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £100 | £1,200 |  |
| Loan repayment.  | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £1000 | £12,000 |
| Interest on loan | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £50 | £600 |
| **TOTAL:** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Sub Total: Fix + Direct Costs** | £8,00 | £7,250 | £6,700 | £7,000 | £7,100 | £7,000 | £7,000 | £6,900 | £6,900 | £6,900 | £6,900 | £6,800 | £6,700 |
| **Net Profit: Sales – Sub total** | -£5,000 | -£2,500 | -£700 | -£5,000 | -£5,600 | -£3,500 | -£2,000 | -£900 | £600 | £3,100 | £5,100 | £8,200 | -£8.200 |

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