Business 2299E

Marketing Report

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# Executive Summary

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# Introduction

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# Analysis

## Internal

The current financial state of David E. White Clothiers is in good standing. They are making profit of about 5% of their total sales. This will allow the company to not only maintain itself, but also promote growth for the company.

The company’s current marketing budget is that of only 0.5% of their total sales which lends to $5000 spent on marketing in the year of 2012. The average spending on public traded companies was almost always above 5% of total revenue[[1]](#footnote-2). David E. White Clothiers has spent very little on marketing which shows that their marketing may have been limited by finances thus far and can be improved upon by being viewed as an investment rather than a cost.

David E. White Clothiers has managed to secure a core customer base in the London community. White Clothiers is known for their combination of carrying top brands with a highly personalized service that is reminiscent of White’s early retail sales experience in menswear. The sales team in place at David E. White Clothiers are not simply sales associates but rather experts in suiting able to share advice and knowledge on all aspects of the attire.

The company purchases inventory twice a year for the spring/summer and again for the fall/winter seasons. The turnover fro product was approximately 2.5 times per year. David E. White Clothiers used between 15-40 suppliers depending on their product and style needs. The company ordered quality products and had good relations with their suppliers but, had to have accurate forecasting to allow for maximizing the value of the product ordered.

The company while securing its core customer basis in London, has also participated in many local fundraising event. Alongside this community recognition, the staff of the store are many long standing employees who have relocated with the store over 100Km showing their dedication to the company and White.

## External

A PEST analysis lends to the fact that David E. White Clothiers is very unlikely to be affected by political change over the upcoming years as the clothing industry relatively unaffected by this in Ontario. With inflation it is quite likely that the cost of good sold will likely increase. An anticipated increase in menswear and apparel was expected although at a slightly lower rate than that of the United States. Much of this growth in the market has been attributed to changing social trends. The rise of social media has brought many men to value their appearance more and has greatly affected the desire of the millennials and middle aged men to take a keen interest in their appearance. This increase was expected to continue as social media continued to gain presence up to an 11% growth in the market over the next 5 years. A marketing challenge that was expected was that of online shopping. With the internet being a primary resource for many, many shops have migrated to partial online stores or some have even completely moved to online storefronts from physical. This change to online would be relatively easy as White recognized it’s happening and had begun adopting an online store for sales much like his competitors.

Three main competitors have been identified: local independent retailers, online retailers, and major menswear retail chains.

Channer’s was the most prominent of these boasting 25 employees and a large selection of both men’s and women’s apparel brands. Channer’s also took a marketing initiative and sponsored the local semi-pro hockey team, the London Knights.

White also face online competition, in particular, from Indochino. Indochino was a company that required customers to send in their measurements and would in turn send a tailored suit along with alteration credits if needed. The suits were however of a lower quality than those typically sold at White Clothiers and had an inconsistent fit.

The final major competition came from major retailers such as Moore’s which had a major market capture of $2.8 billion. The company advertised through a wide variety of channels and offered affordable suits ranging from $200 - $600. The employees were often employed part time instead of permanent and alterations were not an option at the store.

The customers of White Clothiers are typically divisible into three groups: senior professionals, professionals, and students.

Senior professionals are often aged between 40 and 65 with higher caliber jobs including lawyers and health care professionals. They typically are looking for high quality not only in the suiting but, also in the service provided. These senior professionals have a high disposable income and tend to garner large but, infrequent sales.

Professionals are usually aged between 22 and 40. They are often entering into a career and have limited disposable income. They often desire the best mix available of affordable and quality. They require advice on style and also seek discounts when possible. This group of customers are also more adept to make small purchases using the online store and reserve visits for larger purchases.

The final group of customers are the student. They are often accompanied by a guardian and have very little experience or brand loyalty. They are the most likely to shop online and exhibit a strong desire for the most affordable options.

# Target Market Selection

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# Financial Analysis

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# Conclusion

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# Exhibits

Bibliography

%ofRevenue: Sarah Brady, What Percent of Revenue to Spend on Marketing Budget?, 2015,

1. What Percent of Revenue to Spend on Marketing Budget? [↑](#footnote-ref-2)