|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **The Business Model Canvas** | | | | | |  |
| **Key Partners**  The business venture will be composed of three members sharing ownership of the business enterprise. These partners share a similar intention of growing the e-commerce apparel business, which allows them to perform business operations digitally (Witek-Hajduk, Grudecka and Napiórkowska, 2021). The supplier partners will be based on global apparel export sites such as South East Asia, and distribution will be performed digitally through the third-party storefront of Amazon. | **Key Activities**  The key activities of the business are found in the sales of apparel items online through the e-commerce storefront. Other key activities include managing customer feedback and processing their returns requests, wherever applicable. Procurement of apparel items from global suppliers is another key activity that is essential for the business performance of the firm. | **Value Propositions**  Customers will benefit from experiencing lower-cost apparel items, as the cost margin is lower across e-commerce platforms (Miyatake et al., 2016). Importing from global suppliers and selling online eliminates physical retail channels, making the business more economically efficient. These cost-savings are passed on to the consumer in the form of lower prices and ultimately secure the value proposal through cost advantage. | | **Customer Relationships**  The business will rely on developing customer relationships through the use of digital feedback engagement. Customers will be able to leave product reviews and express their feelings about the purchase experience on the Amazon platform. Subsequent communications regarding product promotions and news regarding new products will be performed across the registered email IDs of the customers. This ensures that digital technology will be used to its utmost utility for the benefit of managing customer relationships. | **Customer Segments**  The business will target the Generation Z group of customers, with a focus on female customers (Amed et al., 2019). These demographics are valuable to apparel industry businesses as they are the most responsive to market trends and developments related to apparel items. Their demographic position also makes them bigger spenders in this segment as older consumers have other responsibilities whereas younger consumers have a limited earning potential. Therefore, the clothing products will generate a revenue stream from engagement with this demographic.  VIETNAMESE FASHION MARKET AND FASHION TRENDS IN 2021 - VIRAC |
| **Key Resources**  The resources are found primarily in the digital environment for this business venture. It requires registration on Amazon for use as an e-commerce platform, as well as a physical rental space for storing an inventory of apparel items (Taeuscher, 2019). The participation of the co-owners of the business ensures that such business activities are performed satisfactorily. These key resources ensure the business is capable of delivering on its value propositions towards the satisfaction of the customers. | **Channels**  The business will reach out to the customers through the digital channel of Amazon storefronts. This allows customers to interact with the business through their familiarity with the Amazon website interface. Amazon's services allow businesses to engage directly with customers, with the delivery of the order being fulfilled through Amazon's internal logistics teams as well as third-party couriers (Rodrigue, 2020). By using the digital channel for this venture, the cost of business operations is minimised while channel optimisation is maximised. |
| **Cost Structure**  The business will incur costs across fixed and variable costs. The fixed costs will be on the costs associated with the core business operations, such as rental space for inventory stocks and miscellaneous expenses. The costs of input will also be factored into this development, such as procuring raw materials from global suppliers. Other variable costs associated with the business will also contribute to the cost structure, such as marketing costs and other promotional endeavours. Maintaining a balanced cost structure ensures the business operates successfully. | | | **Revenue Streams**  The business will generate revenue through the sale of apparel products to consumers across the digital e-commerce channel. Sales of apparel items will generate revenue based on the profit margin that accounts for costs of input, such as importing and warehousing costs. This accountability of operating expenses into the product’s final price secures the participation of the buyers in the market. | | |
|  | | | | | | | |

**Reference list:**

Amed, I., Balchandani, A., Beltrami, M., Berg, A., Hedrich, S. and Rölkens, F. (2019). *The Influence of ‘Woke’ Consumers on Fashion*. [online] McKinsey & Company. Available at: https://www.mckinsey.com/industries/retail/our-insights/the-influence-of-woke-consumers-on-fashion [Accessed 6 Apr. 2023].

Miyatake, K., Nemoto, T., Nakaharai, S. and Hayashi, K. (2016). Reduction in Consumers’ Purchasing Cost by Online Shopping. *Transportation Research Procedia*, [online] 12, pp.656–666. doi:https://doi.org/10.1016/j.trpro.2016.02.019.

Rodrigue, J.-P. (2020). The distribution network of Amazon and the footprint of freight digitalization. *Journal of Transport Geography*, [online] 88(102825), p.102825. doi:https://doi.org/10.1016/j.jtrangeo.2020.102825.

Taeuscher, K. (2019). Reputation and new venture performance in online markets: The moderating role of market crowding. *Journal of Business Venturing*, [online] 34(6), p.105944. doi:https://doi.org/10.1016/j.jbusvent.2019.06.005.

Witek-Hajduk, M.K., Grudecka, A.M. and Napiórkowska, A. (2021). E-commerce in the internet-enabled foreign expansion of Polish fashion brands owned by SMEs. *Journal of Fashion Marketing and Management: An International Journal*, [online] 26(1). doi:https://doi.org/10.1108/jfmm-10-2020-0225.

‌