



2022 Fashion Scholarships Fund Case Study

MERCHANDISING

Final 3.15.21

BACKGROUND:

Prior to the start of the COVID-19 global pandemic the fashion industry was witnessing changes in consumer behavior and retail purchasing trends. For example, fewer people were shopping in large department stores and malls, while e-commerce sales continued to grow at the expense of brick-and-mortar stores in general. The pandemic has only accelerated these trends. People are working from home and socializing less, with growing concern over going out and shopping in stores. According to the Global Connected Index, when consumers were asked if they planned to shop when the world returns to the “new normal”, 39% of those surveyed said they will shop in a mix of online and in-store, 28% will shop mostly online and 24% say they can’t wait to get back in-store while 10% said they have not planned that far ahead (over 100% for rounding). Regardless of consumer shopping behaviors after the crisis abates, retailers must develop nimble strategies to react to a changing retail market. In the emerging retail economy, the nuances between consumer wants and needs (or choices between essentials and non-essentials) must be better understood. With the new mix of online and in-store shopping, brands and retailers must determine how best to harmonize both channels to provide a compelling customer experience. Developing a varied and flexible merchandise plan is critical to drive customer interest and increase the probability of return shoppers. With normal economic activity likely to resume in the second half of 2021, plans for long-term alternatives to outdated business models must be created to ensure that brands and retailers are aligned with market trends.

OBJECTIVE:

For this year’s case study, your goal is to create an online and in-store merchandise campaign that appeals to consumers in this changing retail environment while maintaining brand identity and authenticity. Your campaign should be done for an existing brand or retailer of your choice and must be a fashion apparel, accessories, footwear, home, beauty or health and wellness brand. Explain why you have chosen this brand and how you think it will be a valid driver for retail going forward. Consider the balance of your assortment: Is your focus on core essentials? Niche fashion products? Or perhaps a mix of both? Be sure to address the need to have clear online visibility that is also reflected at the store level. How will you identify a better solution for the full presale to pick-up/delivery experience and the changing needs of the work from home consumer? Your campaign should build customer traffic and optimize the customer experience by leveraging both online and in-store assets.

FORMAT:

This year, cases should be submitted as a 14-page slide deck minimum and up to 20 pages including appendices. The slide deck should be in landscape orientation, with slides sized for on-screen show 4:3, 10” x

7.5". Submission files can be created in any software of the applicants choosing (PowerPoint, Keynote, Adobe InDesign, Illustrator etc.), however all cases **must be submitted in a flat PDF format** without video or sound.

No specific font or format will be enforced, and you are encouraged to utilize visuals throughout your presentation (all digital images used must be properly cited). It is advisable to not overload each slide with information, and to keep your presentation concise and to the point: each slide should take no more than 1-2 minutes to be read and understood by the reader. All references should be annotated in slide footnotes. If additional footnotes are necessary, you may add one (1) additional slide to the Appendix footnotes. Do not use hyperlinks in a footnote as the content cannot be accessed once the case study is converted to a PDF to upload. Be sure to proofread your case study. Points will be deducted for not following format directions, as well as for grammar and spelling errors.

MERCHANDISING: ADDRESSING A HYBRID SHOPPING EXPERIENCE

SLIDE 1: Include a one title sentence to summarize the case and discipline of your case study. Outline how your deck is broken out (suggested slide assignment below is optional).

SLIDE 2: Write an executive summary, covering all components of your case study. People reading your executive summary should get the essence of your case study without fine detail. The executive summary should be in paragraph format, no longer than 300 words. Be sure to briefly summarize why your chosen collection will resonate with pandemic and post-pandemic consumers and benefit your chosen retailer and/or e-commerce platforms as well.

SLIDES 3-4: These slides should illustrate your research into what is motivating the consumer and what is the best way to appeal to them during the changing environment of the global pandemic. Share a brief comparison of two retailers or brands you researched. Identify one fashion, beauty or lifestyle brand you believe would thrive in the new hybrid shopping experience. Identify the target customer segments you hope to attract. Explain your choices bearing in mind your brand or retailer's current market positioning, competitive advantages and strengths and weaknesses.

SLIDE 5-7: Identify a retailer that would benefit from your launch and explain your choice based on research about the firm's current or targeted consumers. Your chosen retailer may be one that already sells your brand, although this is not a requirement.

- Develop a product assortment, merchandising and distribution strategy for your launch that includes a SKU plan, target product costs, COGS and margin goals. Develop an allocation plan for the chosen retailer's in-store and e-commerce businesses.
- Create an in-store merchandising presentation that markets the product as displayed.

SLIDE 8-9: Outline your initial omni-channel launch plan. How would you allocate products across your brand's various sales channels (i.e., Owned e-commerce site and retail stores, 3rd party e-commerce sites and brick & mortar retail partners, as applicable)? How would you plan inventory differently to address the needs of the pandemic consumer and their shopping habits; what adjustments to allocation numbers would you make? Propose a percentage allocated to the online channel versus brick & mortar stores and explain your reasoning for the inventory investment by channel based on revenue/profit potential.

SLIDE 10-11: Develop a creative marketing campaign for your launch for the in-store and online presentations.

- Consider your target customer - what are the marketing tactics you would use to assure a successful launch of your pandemic/post pandemic product line and omni-channel merchandise plan?
- Your marketing tactics should be creative, fit your target customer and display strong consideration for expected profitability of this new business line.

SLIDE 12-13: Using the template provided, create a 6-month sales plan detailing projected monthly sales, markup expectations, markdowns, gross margin and inventory turnover. Using the results of your sales plan, create a 6-month income statement projection which includes the direct expenses for your new pandemic focused campaign.

- Your sales plan should include monthly sales, receipts, average inventory, markdowns, cost of goods sold, and gross margin; utilize a bottoms-up approach to project out how much unit inventory you will need to carry, your average inventory value based on projected per unit tickets, projected sales based on expected foot traffic and conversion, as well as projected average unit retails based on expected level of promotion. Be sure to explain all of your assumptions. Utilize footnotes and the appendix to provide further details of your analysis if needed.
- Your income statement should include all direct operating expenses associated with the rollout of your product line, such as the cost of the product development, marketing and any additional investments; do not include existing distribution or logistics costs unless you expect them to be incremental over your company's existing operations. Your income statement should be rolled up for the 6-month period but shown in the aggregate (do not show monthly financials). Explain all of your assumptions.
- Financial projections will be judged based on the depth of research and business acumen displayed by the applicant.

SLIDE 14: Outline your plans to scale if your omni-channel hybrid campaign is successful.

- What are some of the factors you would consider when addressing the needs of the pandemic/post pandemic consumer?
- What are some of the ways you would consider scaling your collection given your objective of stimulating customer excitement and interest in your brand?

APPENDIX SLIDES 15-20: Use up to five slides to summarize any research you have done on what factors contribute to the success of fashion collections --apparel (men's, women's, kids, or gender neutral), accessories, footwear, home or beauty line-- based on targeted demographic/psychographic population cohorts. Use one additional slide for footnotes and a bibliography.

JUDGING CRITERIA:

Your case will be reviewed by industry professionals including the FSF Board of Governors, FSF Mentors, and FSF Alumni. Judges will use the following criteria to score your case:

CREATIVITY & FEASIBILITY (50%)

- Is the applicant's idea unique, inspiring and innovative?
- Is the applicant's idea well-thought-out and executable?

RESEARCH (30%)

- Has the applicant completed exhaustive research on best-in-class market players and their retailer of choice to successfully fulfill the objective at hand?
- Has the applicant acknowledged any instances in which their idea (or something close to) has been executed in the past and whether it was successful?
- Does the scholar display strong business acumen and common sense?

CLARITY (15%)

- Did the applicant clearly complete each portion of their prompt?
- Does the applicant's case follow logical development and a clear structure; is it easy to follow and summarize?

FORMAT (5%)

- Did the applicant use correct grammar and spelling?
- Did the applicant include a title page with one sentence to summarize the case?
- Was the applicant's name and school kept anonymous?

REQUIRED DOCUMENTS FOR SUBMISSION:

- 1) Completed FSF Case Study
- 2) Cover Letter: Please prepare a 250-300 word maximum cover letter containing your response to the following questions:
 - Why are you interested in the fashion industry?
 - What are your current career aspirations?
 - Why have you decided to select your case study discipline?
- 3) Current Resume
- 4) Current Unofficial Transcription

DEADLINES AND ANNOUNCEMENT OF COMPETITION RESULTS:

April 1, 2021 - Wizehive, the digital platform used for case study submissions will open. Your FSF faculty member will provide you with the Wizehive link.

May 1, 2021 - Complete your Applicant Profile and take the Eligibility Quiz on Wizehive.

October 18, 2021- Submit all four of your required documents mentioned above on Wizehive **BEFORE 12:00 PM Eastern Standard Time**. Please be advised, the Wizehive portal will automatically close PROMPTLY at 12:00 PM. Be sure to allow sufficient time to upload all four required documents as the Wizehive submission portal will close at the scheduled time even if an upload is still in progress. If all four of your documents are not fully uploaded by 11:59 AM Eastern Standard Time, your submission will be disqualified. You will receive a **Confirmation of Submission** to your Wizehive Homepage that your submission process was completed.

Announcement of Scholarship Results - The Scholarship competition results will be sent to the FSF faculty member at your school by the first week of December. Your FSF faculty member will share the results with you.