

CURRENT THREADS



Sustainable fashion

for a

sustainable future.

MARKETING PLAN

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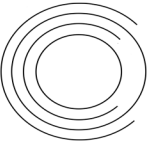


Table of Contents

Business Rationale

Customer Empathy1
 Problem Statement.....1
 Ideal State-Current Threads Aim..... 1-2

About the Business

Target Market and Market Segmentation..... 2-3

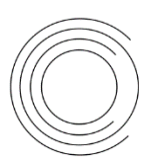
Market Analysis

Industry Analysis/Competiton: Real 3-4
 Industry Analysis/Competition Virtual 4-5

Marketing Plan

Products 5-6
 Price6
 Placement.....7
 Promotion..... 7-8
 Positioning8





Business Rationale

Customer Empathy

Current Threads is aware of the ways customers are influenced when making purchasing decisions. Customers listen to family and friends and read online reviews and endorsements when shopping for products, especially apparel. They, in turn, share their experiences to those around them. Thus, Current Threads can reach its new customers through online promotions and social media, which will then lead to more sales as customers spread word of the company to their surroundings. The company's target market (ages 16-26) seems to be more empathetic to larger social and environmental issues, and consumers in the target market will look to purchase products that make them feel as though they are contributing to change. However, this demographic does not have much disposable income. Therefore, Current Threads presents itself as an opportunity to this market; the company's combination of sustainable manufacturing processes and affordably priced products are aligned with the target market's wants and needs. By making all products from either recycled or low water use material, Current Threads' customers get a high quality product and support an environmentally sustainable future.

Problem Statement

With the ease of online clothing shopping, consumers are overwhelmed by an oversaturated market with more than 102,700 online retail clothing companies in the United States alone. According to surveys performed by International Fabric Traders, the SgT Group, consumers look closely into one of five things when purchasing apparel: price, impact on environment, quality of clothing, whether it is ethically made, or the overall appearance. Current Threads must strive to make its products environmentally friendly, reasonably priced, ethically made, and created to the highest quality to ensure its customers satisfaction.

Ideal State-Current Threads Aim

In the current fashion industry, the trend of stylish yet environmentally friendly clothing is growing with several companies such as *Ecovibe Apparel*, *Patagonia*, and *Last Bottle Clothing* that market as eco-friendly. Although Current Threads is similar to those companies, it differentiates itself by ensuring all its clothing lines are made with



environmentally friendly materials, so that customers can be satisfied with the impact of their purchase. The company furthers its impact through consistent work with outside charities, reducing harm done to the environment while aligning the charity to a product to increase sales. Current Threads assists with activities such as cleaning the oceans, planting green life, and recycling.



Target Market & Market Segmentation



Current Threads strives to create sustainable yet fashionable clothing to appeal to its target market of millennials and Generation Z (ages 16-26). 73% of Millennials claim they are willing to pay extra for sustainable goods, and 90% will choose sustainable products over a non-environmentally friendly product. Along with Millennials, Current Threads will play an active role in this growing environmental movement.

“73% OF MILLENNIALS CLAIM THEY ARE WILLING TO PAY EXTRA FOR SUSTAINABLE GOODS.”

Now more than ever, millennial customers are looking for “practical fashion”, meaning they seek both purpose and durability in their apparel. The company offers unisex clothing which highly appeals to the millennial generation by being a more inclusive brand. Current Threads also fits this mold by committing to sustainable practices such as utilizing environmentally friendly hemp and bamboo, as well as elongating the life of plastic bottles by recycling them into polyester for all of the company’s products.

Millennials spend more on clothes than any other generation and invigorate the economy with nearly 600 billion consumer dollars spent annually, even though 72% of Millennials have less than \$1,000 in their savings accounts.

Millennials are also more likely to spend money on “luxuries” compared to other generations, spending 33% more than Generation X.

Market Segmentation (secondary market)

Mature Adults

Age: 33 and older

Estimated Income: \$48,000 (U.S. Census Bureau)

Buying Patterns: This age demographic will be more open to creative designs, and therefore more likely to purchase Current Threads’ custom design t-shirts.

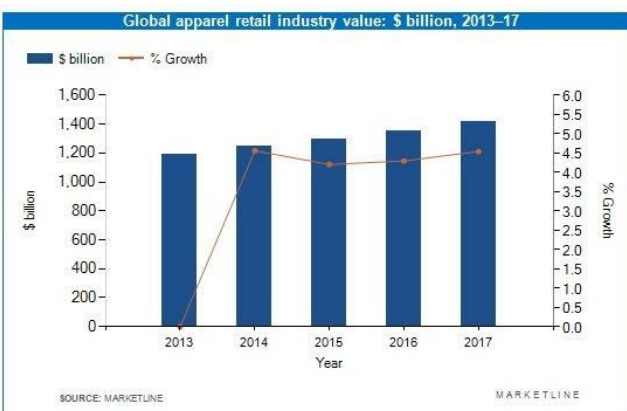
Marketing Strategies: Direct Marketing through pop-up shops, commercials, and online advertisements. Current Threads’ website.

Psychographic: Generation X and older make up a large portion of the fashion industry, spending roughly \$2,500 on clothing each year, and is therefore another potential market for Current Threads.

Market Analysis

Real Industry Analysis/Competition

According to FashionUnited, the fashion industry in the United States holds 4% of the market with a domestic market value of \$385.6 billion while employing 1.8 billion Americans. With an annual growth rate of 5.5%, as reported by McKinsey & Company, the modern fashion industry does not cease to prosper.



Fashion, by its very nature, is always refining and improving itself for each approaching season, specifically targeting the dominance of social and technological platforms. Online apparel revenue has been increasing from \$72,130 million in 2016, up to \$80,957 million in 2017, and is predicted to rise to \$123,403 million by 2022 as reported by Statista. The rise in the market of online T-shirt sales is due to the increasing number of

e-tailors and internet connectivity, where consumers prefer the convenience of shopping online without going to retailers.



With the growth of the e-commerce, one threat to apparel companies is the pressure from consumers for manufacturers to use ethically sourced manufacturing processes and materials. The World Wildlife Foundation states that it can take up to 2,700 liters of water to grow the cotton needed to manufacture a single T-shirt, thus coining the term “virtual water” to emphasize the amount of water humans unknowingly deplete. These facts combined with the modern day beliefs of conservation provide a clear juxtaposition that leaves the fashion industry in a crisis. Current Threads’ use of recycled plastics, hemp, and bamboo conserves water and prevents hazardous plastics from entering the oceans. These methods appeal to the consumers’ concerns for ethically sourced materials and processes.

Virtual Industry Analysis/Competition

Similar to Current Threads, 122 out of the 509 total companies in the virtual market produce clothing and accessories. Many of these companies range from lifestyle apparel to simply outdoor clothing. However, the VEI marketplace lacks a company with the innovative vision and unique product lines as Current Threads. Companies such as *Moda* offer unique designs similar to Current Threads’ that are catered to millennials. However, the company’s utilization of sustainable materials provides an unmatched consumer experience.

In addition to using eco-friendly materials, Current Threads partners with a different national charity organization for each t-shirt line, as opposed to competitors like *Epparel*, who simply uses its products as a way of contributing to environmental conservation. Current Threads participates in protecting the environment on a global scale. Customers not only receive a high quality product when shopping Current Threads, but also make an environmental difference since Current Threads donates 5% of the product sales to environmentally friendly companies.

Indirect virtual competitors include adventure apparel companies such as *ADrop* and *Adventure Outdoor Company* and sustainable household product companies like *Ecocentric*. While these companies do not produce their clothing from renewable sources, they do provide similar lifestyle products. However, Current Threads provides three unique apparel lines, each with distinct benefits for the consumer. Additionally, *Adventure Apparel Company* only provides company logo shirts, which limits the options for the consumer. Current Threads provides unique designs and graphics in addition to logo designs that will cater to the artistic expression of each

“CURRENT THREADS PROVIDES THREE UNIQUE APPAREL LINES, EACH WITH DISTINCT BENEFITS FOR THE CONSUMER.”



individual. Finally, *Ecocentric* does allow the consumer to make an environmental impact from their purchases. However, *Ecocentric*'s product line is geared more toward toiletries and travel supplies, which allows Current Threads to continue to thrive in its own niche of apparel.

Marketing Plan

Products

Current Threads offers three unique lines of sustainable unisex apparel, all of which contribute to the mission of reducing the world's carbon footprint. The main line is a polyester blend created from recycled plastic water bottles. The recycled plastic line is both durable and trendy. The fibers woven into the plastic receive dyes better than cotton counterparts; therefore, plastic fabric is often vibrant and colorful. The



second line consists of hemp. Hemp-based products offer the consumer a unique product, as the clothing is highly durable yet has fibers that make the shirt softer after each wash. The final line, consisting of bamboo, is proven to be highly insulating, helping consumers stay cool in the summer and warm in the winter. Bamboo fabric is also antibacterial and sweat resistant, which is perfect for those in warmer climates.

Current Threads provides a variety of options for customers to personalize their T-shirts. Personalization allows customers to have creative freedom when it comes to their clothing. The basic logo tee comes in both a short and long-sleeve option. The short-sleeve can be customized with a design specific to each of the three lines, emphasizing its environmental contribution. The Plastic Line comes with five different color possibilities and both the hemp and bamboo lines each contain three. Current Threads has four sizing options that are available for customer convenience, ranging from small to extra-large.



In order to reach a wider market, Current Threads promotes an additional line of recycled plastic products with accessories such as beanies, scrunchies, and lanyards. The beanies come in three color options: black, white, and tan. The lanyards and scrunchies come in three pattern options: a wave, leaf, or floral print that correlates to the company's mission and each of the three product lines.



Price

Current Threads utilizes a competition-based strategy when pricing its products. The company conducted research into the clothing industry in order to determine what customers were willing to pay for similar clothing lines. This led to the recycled polyester line being priced at \$25-\$30 dollars, both the hemp and bamboo lines at \$30-\$35, lanyards at \$6, scrunchies at \$5, and beanies at \$20. By keeping prices competitive in the market, the company assures that all of its products are affordable to consumers and that the price will not be a deterrent for those looking to purchase environmentally-friendly apparel.

| Recycled Plastic | | Bamboo | | Hemp | |
|-----------------------|---------|-----------------------|---------|-----------------------|---------|
| Product | Price | Product | Price | Product | Price |
| Short sleeve (logo) | \$25.00 | Short sleeve (logo) | \$30.00 | Short sleeve (logo) | \$30.00 |
| Short Sleeve (design) | \$28.00 | Short Sleeve (design) | \$33.00 | Short Sleeve (design) | \$33.00 |
| Long Sleeve | \$30.00 | Long Sleeve | \$35.00 | Long Sleeve | \$35.00 |
| Lanyard | \$6.00 | Lanyard | \$6.00 | Lanyard | \$6.00 |
| Scrunchie | \$5.00 | Scrunchie | \$5.00 | Scrunchie | \$5.00 |
| Beanie | \$20.00 | Beanie | \$20.00 | Beanie | \$20.00 |

Product production cost was determined through research into the costs of each line's fabric, clothing dyes, and packaging related costs. The company also reached out to fabric manufacturers to more accurately determine these prices. The company's cost of goods sold are the following: The plastic shirt line was determined to be between \$7-\$13, bamboo between \$11-\$21, and hemp between \$9-\$18. The accessory line's cost of goods sold is the following: lanyards at \$1.16, scrunchies at \$3.33, and beanies at \$3.24. The clothing industry often sees relatively high item markups, so the company can ensure healthy profits while still keeping its products competitively priced.



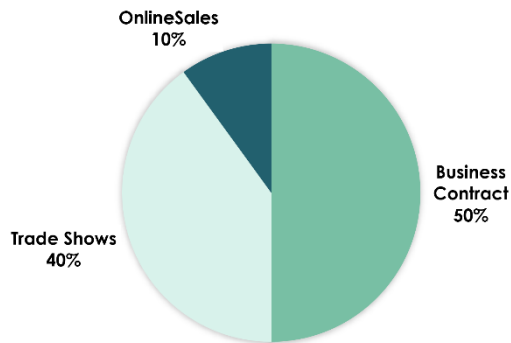
Placement

Current Threads generates its revenue from various sources such as trade show events, online sales, and a business contract with Dignity Health.

The company anticipates that trade show sales will account for 40% of the company's sales during the time frame of December 2018 - April 2019.

During this same time frame, online sales are expected to account for 10% of revenue while the contract will account for 50%. After trade show months

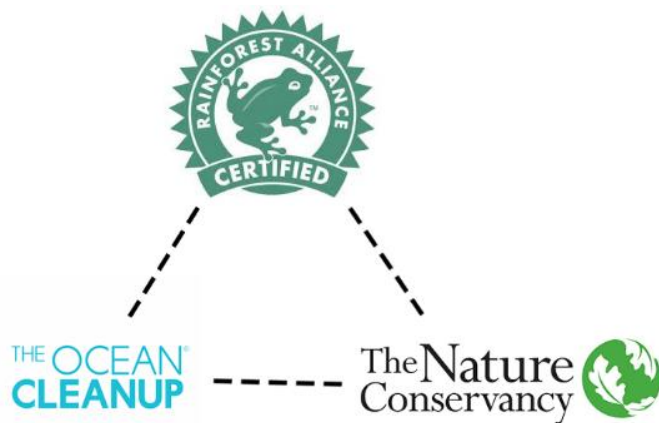
conclude, online sales will see a percentage increase as more emphasis and attention will be placed in constantly updating the site for customer appeal. Due to the absence of trade shows, Current Threads will also seek to participate in pop-up shop events along the coast in order to promote the brand and account for the inevitable loss of the revenue source.



Promotion

In order to maintain a successful marketing campaign, Current Threads follows the marketing strategy DAPPS: direct marketing, advertising, personal selling, public relations, and sales promotions. Regarding sales promotions, the company focuses on how it can reach its target market and the market's buying patterns. With a growing concern for the environment and social media presence among millennials, emphasizing Current Threads' environmental outreach and online marketing will be vital to the company's success.

The company's biggest incentive is 5% of sales of every custom design shirt purchased will go to an environmental charity. The Recycled Plastic Line is partnered with *Ocean Clean-Up*, The Hemp Line is paired with *Nature Conservancy*, and The Bamboo Line is partnered with *Rainforest Alliance*. This promotion allows the company's customers to feel like they have a direct role in helping the environment.



To further promote the company's products, Current Threads will provide an easily accessible newsletter through email. Once signed up, the customer will receive a monthly 20% off coupon for their entire order. Current Threads will



also grant customers free shipping for purchases exceeding \$50 of merchandise. The newsletter is a great way for the company to keep its customers updated on all things Current Threads, while giving them incentives to buy more products. Social media and online advertisements are another important way the company connects with customers.

Positioning

Current Threads' mission of creating a sustainable planet through unique, high-quality clothing, appeals not only the environmentally conscious niche of all generations, but to customers looking for a brand that better reflects their creativity and individuality. Current Threads projects an image to hit a specific niche market.

Having a targeted, strategic

market allows for a greater focus in one area of sales to employ a more efficient marketing plan. Current Threads positions itself as an environmentally conscious lifestyle apparel brand that steers toward consumer affordability.

