

## RETAILING SHOES: STRATEGIZING FOR A NEW NICHE MARKET

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### Abstract

The first part of this paper examines as a reference point the old marketing plan for Diamond Soles, an exclusive women's shoe store in the province of KwaZulu Natal, in the Republic of South Africa, desirous of entering the up market and trendy footwear consumer market because, it was deemed that its existing outlets were a great risk to stock, the adequate and competitive up market range of shoes, targeting the female consumer. Thereafter, the paper looks at the new plan and, thus comparisons to the old plan, is made in terms of management principles. The main drive will be to open a concept store in a trendy mall and this will outline the Diamond Sole concept store's strategic intent and aspirations. It focuses on the target market, growth, increasing brand familiarity, and equity and also provides a profitable mid-term solution for expansion and growth. It is against this background that the paper will undertake discussion, in order to enhance the principles of management and particularly, marketing.

**Key Words:** Markets, Marketing, Niche, Strategizing, Retailing, Expansion, Unique, Trends, Behaviour

### Introduction

Diamond Soles is an exclusive women's shoe store in Kwa-Zulu Natal. Diamond Soles came onto existence because of a niche requirement that sought to meet the needs of exclusive, upmarket and trendy footwear and the fact that existing outlets deemed it too great a risk to stock the adequate range.

Diamond Soles stocks an unmatched, extensive selection of different shoes, Diamond Soles also stocks a range that specially meets the requirements of young adolescent females by meeting and exceeding current fashion fads and is exclusively backed by leading designers and fashion houses that serve as brand ambassadors and who provide PR and endorsements to help drive sales and market share. With the plans to have special delivery arrangements to the customer's doorstep at a minimal fee, will help increase the brand equity, this is opposed to the normal pick up at store practice of the old plan.

Diamond Shoes offerings will share a common characteristic of not only style and excellence, but also comfortable insoles and side support that will be targeted to a new target market namely

housewives and professionals. This focus will be different from the old plan as to where they served the general public. Diamond Soles will also increase its product range and look into alliances with clothing retailers.

The idea of opening a new concept store will show strategic intent and aspirations in forms of graphs and tables outlining the expenses and the profits that will be enjoyed.

The entire plan will be revisited at the end of 2015; however the control mechanisms outlined in the assignment will be visited monthly and yearly alike.

Diamond Soles was established in 2010 by business owners Paul Newman and Edward Holmes, Paul Newman has an undergraduate degree in marketing and worked for several decades in the shoe retail industry. Edward Holmes managed a business called Fusion shoes in Kwa-Zulu Natal, before selling it to a partner. Paul and Edward, who have been friends since school, decided to create a range of shoes that are unique and fashion sensitive which did appeal to the general public at first and now changes focus to adolescents and women in the corporate sector called Diamond Soles.

Diamond Sole shoes are currently carried by small suppliers in Kwa-Zulu Natal that are dedicated to women in Kwa-Zulu Natal. The top great quality, stylish shades, and unique styles of the shoes had obtained Diamond Soles a following among customers between the ages of 25 and 60. The revised plan seeks to change the targeted age groups to 20 and 40, this amongst many other changes.

The first part of this paper examines as a reference point the old marketing plan. Thereafter the new plan is reviewed and thus comparisons to the old plan, along is made in terms of management principles. The main drive will be to open a concept store in a trendy mall and this will outline the Diamond Sole concept store's strategic intent and aspirations. It focuses on the target market growth, increasing brand familiarity and equity and also provides a profitable mid-term solution for expansion and growth. It is against this background that the paper will undertake discussion, in order to enhance the principles of management.

#### **Marketing Plan of Diamond Soles: 2010-2013**

**Company Description:** High quality designer shoes brand

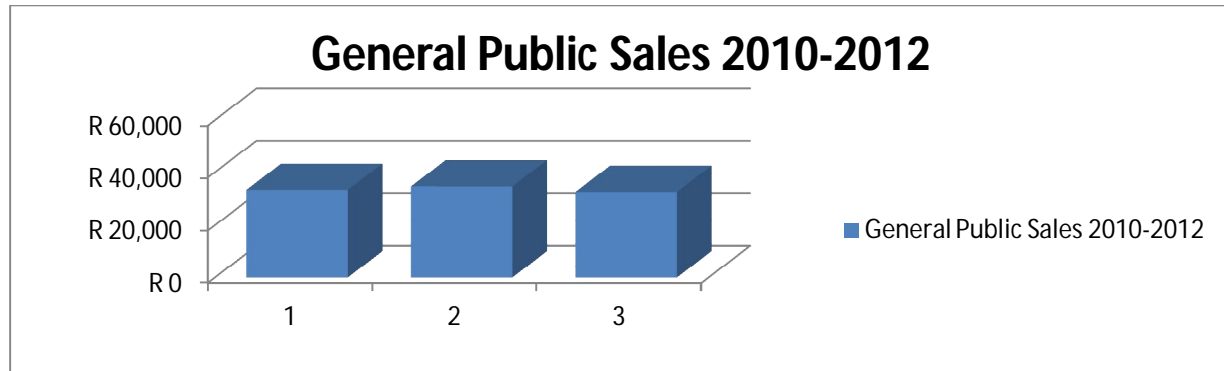
**Owner:** Paul Newman and Edward Holmes

#### **Situational Analysis**

Diamond Soles is a brand of imported shoes, and the offering will be held in various stores in Kwa-Zulu Natal and is still trying to build brand equality. A comprehensive marketing plan was drawn up to increase Diamond Soles awareness and ensure future success.

#### **Market Analysis**

The below indicates Diamond Soles shoe sales from 2010-2012 to the general public



## Market Demographics

### Geographic's

- The immediate geographic target is the city of Durban with a population of 254, 000 females that are employed.

### Demographics

- General female public

### Behavioral Factors

- Fashion conscious.
- Tends to want a pair of shoes ever few months.
- Live the motto "fashion over function." – for the fashion conscience individuals

### Market Needs

Diamond Soles is providing the market with a unique range of fashionable shoes

- **Selection:** A unique selection of the biggest fashionable shoes in Kwa-Zulu Natal.
- **Accessibility:** The central location to serve the needs of women in Kwa-Zulu Natal
- **Competitive pricing:** Pricing that is competitor sensitive yet focused and differentiation based.

### Market Trends

The general market trend for women's fashionable shoes is toward a wider selection of common design elements.

### Competition and Buying Patterns

- **(Flannigan's\*):** This is a women's only clothing and shoe store. They have a nice selection of clothing but a poor selection of shoes. The shoe styles tend not to be cutting edge.
- **(Due west\*):** This is a large, complete, department store. The store however, suffers from cluttered displays and a general sense of disorganization.

### SWOT Analysis

#### Strengths

- Quality guarantee from suppliers
- Growing brand identity

#### Weaknesses

- The threat of substitutes
- Forecasting fashion is difficult but necessary to profitability.

- Higher customer care required

### **Opportunities**

- An industry where demand is consistent.
- Embark on broad branding campaigns: more aggressive.

### **Threats**

- The introduction of a competitor to the Kwa-Zulu Natal market with a similar business model.
- Constant delays in the shipment of product or the unavailability of many of the advertised designs.
- Consistently changing marketing trends, styles and designs preferences.

### **Product Offering**

Diamond Soles sells upscale women's shoes. The current selection is

- Dress shoes
- Loafers
- Sandals

### **Marketing Objectives**

- Increase repeat customers

### **Financial Objectives**

- Experience a financial growth 2010-2013.

### **Target Markets**

Diamond Soles services the needs of the general female public with fashionable shoes

### **Positioning**

Diamond Soles has a main store in Durban City central and many of its shoe ranges are carried by other smaller outlets as well.

### **Promotions**

Method of communication is advertisements in Kwa-Zulu Natal's daily newspaper. The advertisements will be placed in the weekly fashion section whose readership is primarily women.

### **Marketing Mix**

Diamond Soles marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- **Pricing:** Diamond Soles pricing is designed to be competitive to the other fashion shoe retailers.
- **Distribution:** Pick up from store
- **Advertising and Promotion:** Location, targeted advertising in the newspaper.
- **Customer Service:** to provide a level of support to customers that is acceptable.

### **Marketing Cost Analysis**

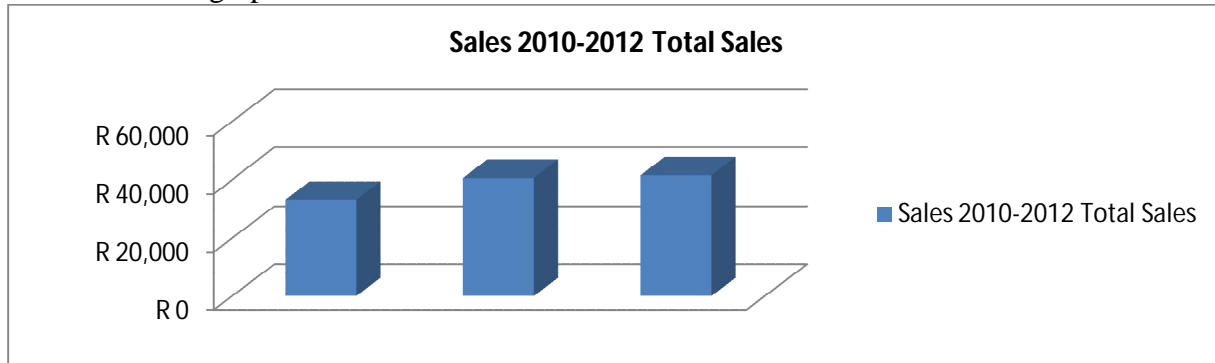
- Paper
- Other

	2010	2011	2012
Paper	500	700	1000
Other	500	1000	1500
Total Expenses	1000	1700	2500

Sales

**analysis**

Diamond Soles shoes soled has experienced a small growth and then remained stagnant as indicated in the graph below:



**Product –Service mix analysis**

- Canvas athletic/stylish shoes.
- Dress shoes.
- Loafers.

**Customer analysis**

- General public

**\*\*End of Diamond Soles Old Marketing Plan**

**\*\*Start of new Reformulation plan**

**Situational Analysis**

Linda (2009) states that situation analysis, according to the American Marketing Association (AMA), is “the systematic collection and study of past and present data to identify trends, forces, and conditions with the potential to influence the performance of the business and the choice of appropriate strategies.” The situation analysis involves a thorough review of the industry in question, the market and competitors.

Diamond Soles has completed the third year of operation in Kwa-Zulu Natal. The current market share is minimal. A new comprehensive marketing plan is drawn up to increase visibility and profitability and ensure future success. Diamond Soles offers an unprecedented selection of current women's fashions.

**Market Summary**

Diamond Soles has captured relevant information regarding their market and knows a great deal about the common attributes of the most prized customers via a market survey that was conducted in 2012- results indicate that the Diamond Soles concept store will cater for corporates and professionals. Diamond Soles will leverage this information to better understand who should be served, their specific needs, and how Diamond Soles can better communicate with the target market to increase market share which will yield a higher profit ultimately higher profits. Appendix A indicates market share that is held by Diamond Soles and other competitors. Appendix B indicates the projected market share that the concept store can attract.

### **Market Analysis**

Table A indicates a potential customer growth with the concept store as they will have secured and a loyal customer base.

### **Market Demographics**

The profile for a Diamond Soles customer consists of the following geographic, demographic, and behavioral factors:

#### **Geographic's**

- The immediate geographic target is the city of Durban with a population of 254,000 females that are middle to high income earners.
- A 60 km radius is to be targeted through the 24 hour delivery service

#### **Demographics**

- Current age range 25 – 60, this will be changed to incorporate a younger age group as well. This will be changed to 20 – 40
- 15% of the projected customers are housewives.
- 75% of targeted customers are professionals.

#### **Behavioral Factors**

- Fashion conscious.
- Tend to eat out at least once a week, but typically more.
- Live the motto "fashion over function." – for the fashion conscience individuals
- Subscribe to, or at least read, several women's magazines that are fashion orientated.

### **Market Needs**

Diamond Soles is providing the market with a unique range of fashionable shoes with an unprecedented selection. Currently, women must travel afar to come close to range approximating to Diamond Soles selection all of which will be channeled to the concept store. Diamond Soles seeks to fulfill the following benefits that are important to their customers.

- **Selection:** A unique selection of the biggest fashionable shoes in Kwa-Zulu Natal.
- **Accessibility:** The central location and extended business hours designed to accommodate all customers' schedules
- **Customer service:** The patron will be impressed with the degree of care that they receive.
- **Competitive pricing:** Pricing that is competitor sensitive yet focused and differentiation based.

### **Market Trends**

The general market trend for women's fashionable shoes is toward a wider selection of common design elements. Over the last few years, there has been a proliferation of several design variations from a base design. A base design is released and then there are many different spurs that have common elements but include a few distinctive characteristics. While this is great for the customer because it allows them to be fashionable but distinctive, it is tough for most retailers because it increases their overhead in the form of inventory. This trend is ideal for Diamond Soles which has a business model that allows for stocking unique styles that are specific to the target market requirements- implying fewer inventories and holding cost.

## Market Growth

The market for women's shoes is a strong, steady growing market. It is generally not affected by economic downturns. Women seem to consume shoes regardless of the economic climate. In a popular mini-series, a women's habit of buying shoes was described as a release when they are feeling bad, a way to make them feel better, similar to eating chocolate. While this stereotype might not be entirely accurate, women love their shoes and cannot seem to get enough.

## Competition and Buying Patterns

Diamond Soles have a few direct competitors in Kwa-Zulu Natal:

- **(Flannigan's\*)**: This is a women's only clothing and shoe store. They have a nice selection of clothing but a poor selection of shoes. The shoe styles tend not to be cutting edge. The price point for the shoes is R150-R1200.
- **(Due west\*)**: This is a large, complete, department store. The store however, suffers from cluttered displays and a general sense of disorganization. Shoes here are R200-R1000.
- **(Sledges\*)**: This is a national franchise that only sells shoes, for both men and women. This company will sell knock offs, shoes just like name brands, but with their name on it. While this store has a huge selection, the quality of the shoes leaves a lot to be desired. This is somewhat understandable as the shoes typically sell for R200-R1800. While the shoes are often good copies of famous brand, the execution is sometimes off. Many of the shoes that are made out of pleather and look like they were dipped in wax, giving them a tacky appearance.

Other major competitors are:

- **(All wear \*)**: Mid- to high-end department store known for their outstanding customer service. The shoe price point is R600-R3000.
- **(Perfect fit\*)**: This department store caters to the high class, older crowd. Shoes range from R750-R4000.

The buying habits for fashion conscious women consist of typically buying at least one pair of shoes every three months. Women generally purchase a pair to go with a specific dress.

## SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing Diamond Soles.

### Strengths

- Extremely strong relationships with distributors.
- Quality guarantee from suppliers
- Low holding and inventory costs
- Growing brand identity
- Unique brands that are imported
- Brand endorsements and ambassadors
- 24 hour delivery service
- An efficient, stylish retail store.

### Weaknesses

- The threat of substitutes
- Geographical reach
- Forecasting fashion is difficult but necessary to profitability.

- Not targeting a younger population
- Higher customer care required
- Poor market research conducted

### **Opportunities**

- Referral system: discounts
- A growing segment of the market that are middle to high income earners
- An industry where demand is consistent.
- The ability to operate on lean overhead relative to competitors.
- Embark on broad branding campaigns: more aggressive.

### **Threats**

- The introduction of a competitor to the Kwa-Zulu Natal market with a similar business model.
- Completely misjudging where fashion is headed.
- Constant delays in the shipment of product or the unavailability of many of the advertised designs.
- Substitute products
- Consistently changing marketing trends, styles and designs preferences.

### **Product Offering**

Diamond Soles sells upscale women's shoes. The current selection is minimal

- Dress shoes
- Loafers
- Sandals

They can increase their product range. The general categories of shoes that can be sold in year 2013 -2015 are:

- Sandals
- Stylish work shoes
- Loafers
- Dress shoes
- Canvas athletic/stylish shoes

Diamond Soles will strive to have the largest selection of shoes in Kwa-Zulu Natal. Diamond Soles will accomplish this by having in stock ten sizes per style. Diamond Soles will then procure within 24 hours (rush one day service is available) the style in the needed size that will be delivered directly to the customer at a minimal fee, these will be the shoes ordered via our web site. This will be accomplished through a special relationship with the wholesaler and Courier Company.

Women generally care more about style than fit. This is evidenced by the fact that there are so many high heeled, narrow mid-foot shoes that look incredibly uncomfortable. With this recognized, Diamond Soles will meet the customer's needs by providing an unmatched selection that is not only aesthetically pleasing but comfortable to use. The customers will truly appreciate the selection that will allow them to find the perfect pair of shoes for any outfit.

### **Critical Issues**

Diamond Soles is still trying to grow as a retail store. Its critical issues are to continue to take a modest fiscal approach



### **Marketing Strategy**

The idea of creating a concept store for Diamond Soles will allow the marketing strategy to be based solely on location. Diamond Soles should be located in a trendy mall like Gateway that receives abundant walk-through traffic. This location will cost a premium and will not be directly linked to the marketing budget as rent has been categorized under general overhead.

Another form of marketing to be described later in detail will be advertising. The strategy of the marketing campaign is to increase the target customer's awareness of Diamond Soles and its concept store.

### **Marketing Objectives**

- Increase repeat customers by 60% per year.
- Build an effective pull campaign, through effective promotions to bring in new customers at an increased rate.

### **Financial Objectives**

- Experience a double digit growth rate from 2013-2015.
- Reduce store overhead by 5% each year.
- Reach profitability by the end of year two.

### **Target Markets**

Diamond Soles should now only target two population segments within the broad category of the fashion conscious female with disposable income, as opposed to the general public in the old plan

- Professionals
- Housewives

### **Positioning**

Diamond Soles will position itself as the premier outlet for women's fashionable shoes, providing Kwa-Zulu Natal with the largest selection, rivaling some of the other boutiques. Diamond Soles will leverage their competitive edge to achieve this desired positioning. Diamond Soles' competitive edge is an unmatched selection of quality shoes in Kwa-Zulu Natal. This selection will be achieved in two ways.

The first is a very specific effort to carry as many styles of shoes as possible. Diamond Soles recognizes that Kwa-Zulu Natal currently does not have a single store that offers a wide selection of decent quality shoes for the fashion conscious woman consumer. The competitive edge is the recognition of this unserved niche and the serving of this demand.

Diamond Soles will be able to offer a large selection through a unique inventory model that stocks a large number of styles with only ten sizes per style. The advantage to this is that for the same amount of money that Diamond Soles will invest in overheads, they can offer far more styles.

This model is effective because women will buy shoes based on style. The way a shoe fits is of little consequence if it looks good. For this reason women are willing to order a pair of shoes seen but not fitted.

### **Place**

Diamond Soles new marketing strategy will seek to create customer awareness regarding the products that they offer, develop the customer base, and work toward building customer loyalty and referrals.

The message that Diamond Soles will seek to communicate is that they offer the largest selection of fashionable women's shoes in Kwa-Zulu Natal. Women no longer need to travel to find nice shoes. The first method that Diamond Soles will use to communicate this is location. Diamond Soles has chosen an upscale, trendy mall that receives a lot of walk through traffic. This generates large amounts of visibility for Diamond Soles.

### **Promotions**

Another method of communication is advertisements in Kwa-Zulu Natal's daily newspaper. The advertisements will be placed in the weekly fashion section whose readership is primarily women.

The last method of communication will be through a strategic relationship Diamond Soles will develop with one of the upscale women's clothes stores. The two stores will be co-branding their products as clothes and shoes are intuitively linked. Often time's shoes are purchased to go with the new outfit. The strategic alliances will be used to acquaint customers of the trendy clothes stores with Diamond Soles as the customer demographics are quite similar. The alliances will include discounts when both shoes and clothing are purchased as well as display some of each company's products at the other store. These activities are all designed to develop visibility on behalf of the marketing plan.

### **Marketing Mix**

Diamond Soles marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- **Pricing:** Diamond Soles pricing is designed to be competitive to the other fashion shoe retailers.
- **Distribution:** any shoe can be delivered to the customer in the 60km range for a minimal fee
- **Advertising and Promotion:** Location, targeted advertising in the newspaper and strategic alliances will serve as the foundation of Diamond Soles advertising and promotion effort.
- **Customer Service:** Exceeding customer's expectations is the company's mission. A specific type of person will be employed at the concept store. The concept store staff will be well trained to provide excellent customer care.

## **5. Marketing strategy reformulation: Operational control**

### **5.1 Marketing Cost Analysis**

Rao (2007) states that "Marketing cost analysis is another important tool of marketing control". Moreover recently organisations globally have experienced a sharp rise in escalations with marketing and distribution costs. He also points out that increased sales do not necessarily bring them increased profits and containing marketing and distribution costs has become an imperative for optimizing profits. It has also become an imperative for survival against the growing competition.

The marketing budget will be higher relative to other months during the first four months when Diamond Soles is trying to generate interest in the new store. The expenses will also increase toward the end of the year during holiday season. Appendix 5.1a indicates the marketing

expenses of Diamond Soles 2010-2012 – this was minimal. Appendix 5.1b indicates the suggestions that can be implemented in the marketing plan so that they can reach a bigger audience, it will require a lot of other resources and channels to be adopted to create the right image and pull affect in-order to gain profits so that it will sustain itself. Table 5.1(c)-indicates the past budget on marketing in financial terms whilst table 5.1(d) indicates the suggestive budget for 2013-2015, whilst this may seem more, different marketing channels and strategies are being used e.g. T.V, PR, magazines, radio, this would lead to an increase in sales, due to the concept store and a unique customer base rather than the general public.

### **5.2 Marketing channel analysis**

Business dictionary (2013) describes marketing channels as “The path through which goods and services travel from the vendor to the consumer or payments for those products travel from the consumer to the vendor. A distribution channel can be as short as a direct transaction from the vendor to the consumer, or may include several interconnected intermediaries along the way such as wholesalers, distributors, agents and retailers”.

Appendix.5.2 is a comprehensive breakdown of the different channels to be used:

- Promotions strategy: reveals a clear indication of the market channels to be utilized and the differentiated initiatives compared to the “old plan”.
- PR – Public relations is a key point in marketing and for the start up of the concept store it is essential but subject to change, the table shows the budget for the PR over the given timeframes.
- Direct Marketing - indicates the budget for this aspect of marketing, with the focus on other areas of advertisements and marketing this should increase direct sales so there isn't a particular budget.
- Web Development – indicates the budget for web development, keeping with the times of technology, web based marketing is essential, this is a start up budget and is subject to change

### **5.3 Sales analysis**

QFINANCE (2009) points out that the sales analysis is the examination of the reports of sales to discover why items have or have not sold well.

Diamond Soles' envisages an increase in sales from 2013 upwards: the exclusive range will increase brand popularity.

Appendix 5.3.A. Graph- (achieved sales 2010-2012)versus (Prospective sales 2013-2015)

Appendix 5.3.B. Table- indicates the sales figures required to reach a marginal profit

### **5.4 Product –Service mix analysis**

Stevens, Loudon, Wrenn, Warren (2009:76-79) state that the product mix involves planning and developing the right type of product that will satisfy fully the needs of customers. A product has several dimensions. These dimensions are collectively called product mix. Product mix for example may consist of size and weight of the product, volume of output, product quality, product design, product range, brand name, package, product testing, and warranties and after sales services and the like.

Diamond Soles sells upscale women's shoes. The suggested ranges of Diamond Soles' shoes that will be stocked (that meet the needs of the target market) are:

- Canvas athletic/stylish shoes.
- Dress shoes.

- Evening wear shoes
- Formal wear
- Loafers.
- Sandals.
- Stylish work shoes.

Diamond Soles will meet the customer's needs by providing an unmatched selection of women's fashion shoes that are not only unique and trendy but comfortable. The customers will truly appreciate the selection that will allow them to find the perfect pair of shoes for any outfit.

### **Keys to Success**

The keys to success are to meet the demand for an upscale women's shoe store with a wide range to choose from and focused on customer attention and care.

- Fashionable designs.
- Fast customer delivery.
- Well-trained employees.
- Service excellence

### **5.5 Customer analysis**

“Is the process of identifying and evaluating the distinguishing characteristics of a base of customers in order to better understanding their needs, purchasing behavior, value orientation and motivations for purposes of segmentation and target marketing. Customer data is continuously gathered through transactional data, customer feedbacks, focus groups, and product testing”- (Anonymous 1, 2013).

Diamond Soles is targeting two broad population segments of the fashion conscious females with enough disposable income to afford Diamond Soles' shoes and not just the general public.

- **Professionals:** these are full time working professional women. They will purchase shoes for the workplace as well as for leisure time. This group is being targeted as they work full time and therefore have the need for many different pairs of shoes for all of their different outfits. They also have the money to spend on shoes and will take advantage of this reality as women typically many options of shoes.
- **Housewives:** this segment has plenty of disposable income who shop frequently and are from affluent areas, and spend fair amounts of time shopping for shoes and clothing. This group is attractive because they have the money and the time to shop for shoes.

#### **Areas of Weaknesses are:**

- **The struggle to build brand equity:** Being a fairly new introduced store in the market - achieving market share may prove difficult at first, however with the robust marketing strategy and a strong cadre PR team small wins can be made. The fact that the niche market has been discovered Diamond soles will be market leaders. Serving a special target market-word will get out about Diamond Soles and more and more people will be coming in to view the extensive selection. Looking at the geographical radius of 60 km is with affluent areas like Ballito, La Mercy, Umhlanga, La Lucia, Mount Edgecombe and Umdhloti fall into the radar screen and a large contingency of housewives and professionals reside in these areas-

Business will certainly flow in once word goes out- thus in turn helping to build a bigger brand equity

- **Forecasting fashion is difficult but necessary to profitability:** Whilst this is so and with fashion trends being launched overseas first and flowing through to South Africa months or even years later with the wealth of experience from the CEO's this can be relatively easy to them. Importing the latest trends and fashion with the aid of fashion guru's and a keen eye on market changes
- **Not targeting a younger population:** 'like mothers-like daughters' Diamond sole's should extend its brand offering and cater for the younger individuals as well. These individuals who want to be like their parents, usually following in their mothers footsteps. The power of these younger individuals to persuade their parents shouldn't be undermined and will be considered with the change in age group targeting from 25-60 to 20-40.
- **Higher customer care required:** The level of customer care needs to be uplifted
- **Poor market research conducted:** The opportunity of conducting market research will be ventured into. The results will be imperative and fresh to Diamond Soles; future marketing plans could be based on the results yielded from this.

#### **The struggle to build brand equity:**

- The launch of the concept store would be opened in a central location like Gateway, where enough walk through traffic will be experienced.
- Diamond Soles will start a rewards programme for repeat customers giving them a discount on next purchase from points accumulated.
- At the opening of the concept store – models will be hired to model in the range of shoes- this will capture attention. Brand ambassadors will also be present.
- Diamond Sole's will sponsor local celebrities who will be the brand ambassadors.
- Different sales tactics will be ventured into e.g. buy one pair and get half off the second pair.
- A database will be maintained of customers so alternate advertising can be done like a simple sms/email can be set out to them notifying them of sales, greeting them on their birthdays etc this will make the customer feel as if they are an individual.
- Web offering will be introduced. Together with a mobile application that allows customers to purchase no matter where they are. Customers buying preferences will also be tracked online when they utilize the online store. This will allow Diamond soles to make suggestions of shoes based on previous online activity with the store

Incorporating the above steps will allow for brand equity to increase.

#### **Forecasting fashion is difficult but necessary to profitability:**

- In-order to maintain market leadership Diamond Soles would have to keep up with the latest fashion statement globally
- The company buyers should attend international fashion shows

#### **Not targeting a younger population:**

- With the generation being highly techno savvy a mobile application will be launched, to target the younger market.

- Just like affluent parents stand out in their attire choice so would they want their children to stand out, by capturing the younger crowd Diamond Soles will have a winning recipe i.e. they capture the parents who introduce their children or vice versa.
- A deliberate marketing strategy will be adopted like using models to using the shoes and should frequent local hotspots where youngsters seem to frequent e.g. Fashion T.V.
- Mobile apps: with more and more individuals using mobiles, with apps that allow them to do virtually anything whilst still on the move. Diamond Soles will seize this opportunity to create a mobile app that allows shoppers to purchase from them utilizing the application.
- Social Networks will be used as the sheer volume of information created and promoted on the social web like, facebook, twitter, blogs, etc., can be overwhelming. With the right questions and tools, Diamond Soles can leverage the data between the connections of people, and 'hear' the voice of the customers, who can influence sales, and insights to increase Diamond Soles awareness.

**Higher customer care required:**

- Due to the concept store being opened a higher level of customer care will be needed, the staff will be sent on a customer care training course. The level of services offered will be monitored by the sms sent out after the sale, evaluation forms, and online surveys.

**Poor market research conducted:**

- A mathematics graduate student will be used in the development of the survey ensuring the survey is statistically significant and relevant. The survey will also be insightful into the mind of a prospective customer.

The purpose of Diamond Soles new marketing plan is to serve as a guide for the organization. The following areas will be monitored to gauge performance:

- Revenue: Diamond soles management will increase its concentration of monthly and annual reports.
- Expenses: The management team will focus on the monthly and annual report to sight changes, make changes and create contingency plans if need be.
- Repeat business or repeat customers will be tracked using the I.T system. A database will be maintained of repeat customers, this in conjunction with the rewards programme that will be launched.
- Customer satisfaction an increased focus will be made on customer care. This will be evaluated by evaluation forms online and instore. A sms will be sent out immediately after the purchase asking to rate the level of customer service received.
- Market research and outcomes: several more focus groups will be carried out to help gain insight into the most prized customer and some of their decision-making processes as they relate to shoe purchases. The information collected from the focus groups will be extremely helpful and will help justify the new business model.
- An additional source of market research will be a comprehensive survey that will be distributed to an upscale woman's clothing retailer's customers. A mathematics graduate student will be used in the development of the survey ensuring the survey is statistically significant and relevant. The survey will also be quite insightful into the mind of a prospective customer.
- An evaluation plan for marketing spend and success rate via applying questionnaires and web tracking

- Assess demand areas and demographic preferences, thereafter control and make changes accordingly to ensure that money spent is generating optimal income.

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## **Conclusion**

Diamond Soles was established in 2010 by business owners Paul Newman and Edward Holmes. They decided to create a range of shoes that are unique and fashion sensitive which did appeal to the general public at first, this has been re-visited and now suggestions have been tabled to change focus to a different target market: to adolescents and women in the corporate sector. The revised plan recommended changes to the targeted age groups from 25- 60 to 20 and 40, this amongst many other changes.

The assignment has outlined the old plan the flaws and shortcomings. Thereafter the new plan is revealed and also makes comparisons to the old plan along the way. The main drive being - to open a concept store in a trendy mall to channel a high volume of consumers to the store, the plan focuses on the strengths and opportunities and how this can be leveraged to obtain maximum profits. It also looks into weaknesses and threats and suggestions as to how these can be overcome to contribute to the stores overall battle for brand equity and profits. Diamond Sole's concept store's strategic intent and aspirations is pointed in forms of graphs and tables outlining the expenses and the profits that will be enjoyed if the suggestions are implemented. Altogether the suggested changes required to be made by Diamond Soles will require a degree of investment, however the profit is scoped to be enjoyed after the first year of operation in the new store pending the suggestions unfolds as planned out.

The plan shows that it is specific to the requirements, the outcomes will be measurable, its goals will be attainable in the given timeframe, the suggestions are realistic, and it is within a specific timeframe.

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