

Free Spirit Fashion Line

Product Line Idea

My product line is a collection of dresses, shoes, and accessories called **Free Spirit**. The line is based on the youthful expressions of freedom and independence that are often expressed as young women first begin their journey in becoming independent and blossoming adults.

- Free Spirit is geared towards young women between the ages of 18-30.
 - The ideal customer for the Free Spirit collection has a limited income, probably attends college, and is looking for a good deal while still being able to look trendy and fashionable. The target market spans all ethnicities, but particularly focuses on those with a bohemian, earthy flair. They are versatile, but desire comfort. Their clothing cannot be too fussy. The typical Free Spirit customer reads fashion magazines, but also keeps up with all the current local events, like galleries and festivals. Geographically, the target customer lives in urban areas with a warm climate that requires breezy clothing. Overall, Free Spirit's target customer is a fun-loving, artistic, open-minded young woman looking for her passion.
- The retail price point would range from \$30-\$75 depending on the piece.
 - This would put the Free Spirit clothing line into a Moderate merchandise category.
 - Moderate- "Usually retails for less than \$100," and typically includes "dresses, sportswear, career wear, and nationally advertised apparel brands." (Nellis) Free Spirit falls into this category on account of its boutique-like style and certain procedures, like dip dyes, required to color the fabric. This price point is reasonable for the target market and signifies quality to the consumer.
- The Free Spirit collection is designed for summer, but when combined with wraps or shrugs, the line could be transitional from summer to fall as well.
- The basic fabrics that will be used include cotton, polyester, and rayon.
 - Because the Free Spirit line is designed for use in the summer, fabrics like cotton, which have great breathability, are a must. Because cotton can be easily stretched and has low sheen polyester will be used to form a blended fabric with higher strength and shine. Rayon will be used because it is rather inexpensive and has quite a soft hand. (Superior Threads)
 - The ideal climate for the Free Spirit line would most likely be in the southwest portion of the United States. Ideally, young women in states like Texas, New Mexico, Arizona, California, etc would be interested in the line of dresses for their summer adventures.
 - The climate in states like these would be much warmer than in other areas. So, great care should be taken when selecting the final fabrics to ensure that the garments, shoes, and accessories are breathable, comfortable, and wearable for extended periods of time.

- The Free Spirit line would utilize misses sizing to offer a wider range of sizing to the customer that no longer wishes to shop in the junior's department.
 - Misses- "Misses clothing is designed for women that fully developed breasts and hips" and have "averaged sized busts and backs." (Rossillo)

Item # 1 A-line Dress



- This dress will be made from rayon.
- It will have tight fit around the bust with an a-line flair to give the skirt volume and impact.
- This fits into the product line by keeping a simple pattern, but offering an amazing flow and feel that allows for a light, feminine effect.

Item # 2, 3 Romper, Over-the-Shoulder Handbag



- The romper will be made of a rayon. The handbag will be made of a cotton/burlap blend to ensure wash ability and durability.
- The silhouette emulates the silhouette of a drop-waist dress, but offers a little more discretion by forming shorts at the bottom.
- The romper is quirky and fun, just like Free Spirit's customer base, and the handbag adds to the flowing, care-free feel of the line.

Item # 4 Empire Waist Dress



- This dress will be made of a cotton/polyester blend.
- This dress has a bubble or sack dress silhouette that is flattering for most body types.
- The dress relates to the overall feel of the collection by utilizing warmth, earthy colors and simple patterns.

Item # 5 Strapless, Uneven Hem dress



- To accommodate for the use of dip dyes, this dress will be made of a cotton/rayon blend.
- The silhouette has a natural waist, an uneven hem, and an open back.
- This dress fits perfectly into the collection because of its whimsical, fairy-like qualities that denote freedom and adventure.

Item # 6 Full-length Dress



- This dress will also be made of a cotton/rayon blend to accommodate the dip dye process and to add softness.
- The silhouette of this dress is slim and elongating.
- This piece fits into the overall collection by utilizing the open-back and dip dye coloring used in some of the other garments. It has a very casual, laid-back feel and can transcend day or night.

Item # 7 Strapless, Uneven Hem Dress



- This dress will be made of a cotton/polyester blend as well.
- The silhouette is strapless with an uneven hem. The drape is close-fitting.
- This piece complements the other pieces in the line by incorporating elements used in some of the other pieces, like dip dye process, uneven hem, and use of warm, earthy colors.

Item # 8, 9, 10 Lace-up Flats, Heels, and Gladiator Sandals



- The shoes will be made out of rubber, plastic, and rayon fabric lining and laces.
- There are three different silhouettes to choose from.
- These pieces compliment the dresses and the romper in the line quite nicely by adding an additional touch of style and variety to match the customer's love for versatility and comfort.

Free Spirit's Target Market

- The target market for Free Spirit is between the ages of 18-30. They fall under the demographic of Generation Y or the Echo Boom. (Rosenau) They enjoy using fashion as a way to display their freedom and independence.
- Free Spirit's target market mostly consists of single females.
 - These women do not have children and have more disposable income to spend on themselves, while also having a higher interest in fashion.
- Free Spirit's target market lives in urban areas, probably in apartments and other rental properties. (Rosenau)
 - For example: They live in cities with warm climates that require breezy, comfortable clothing. They primarily live in the southwest portion of the country in cities, like Phoenix and Austin. They may be considering potentially buying a property of their own in the future, but are most likely not prepared for that type of purchase just yet.
- The target customer's interests include magazines, music, sunbathing, swimming, running, yoga/Pilates, movies, nightclubs, festivals, and getting a higher education.
 - Free Spirit's target customer does have a job, more than likely attends a college or university, and enjoys outdoor activities, but is not overly athletic. She prefers swimming and sunbathing, and loves to be around any body of water. She practices yoga or Pilates and runs to stay fit and slim and enjoys eating healthy, even if she does have a hamburger every once in a while. She enjoys artwork, music, and festivals. At home, she enjoys reading magazines and short stories because she simply doesn't have time to finish lengthy novels. She is creative, simplistic, and outgoing.
- Free Spirit's target market has an average annual income of \$21,000-\$29,000.
- Free Spirit's target customer shops at boutiques, thrift stores, and budget-moderately priced specialty stores.
 - The target consumer prefers to shop at places that offer a unique variety of clothing that cannot always be found at the average big box or department store. She is looking for versatile pieces that will still appear stylish over time, not just trendy for the moment. She is looking for an environment that offers adequate customer service, but is not overbearing. She is definitely not looking for a personal shopper type of experience.

Line Plan-Free Spirit

Summer 2013

Biggest Sellers

1. Item #1 A-line Dress retails for \$40
 2. Item #2 Empire-waist Dress retails for \$35
 3. Item #4 Full-length Dress retails for \$40
 4. Item #6 Lace-up Flats retails for \$30
- Wholesale Price \$10.00 = Original Retail Price \$30.00
 - Wholesale Price \$12.00 = Original Retail Price \$35.00
 - Wholesale Price \$14.00 = Original Retail Price \$40.00

These particular items would be my biggest sellers, based on the versatility of the silhouettes. The three dresses are the most flattering silhouettes for a wider range of body types. The a-line dress and the full-length dress are both loose-fitting, and have a flowing drape that flatters a broader range of consumers than some of the other styles. I also believe the lace-up flats will be the best seller of the three styles of shoes in the line because, while some people never wear heels and others never wear gladiators, almost all women can agree that flats are versatile, comfortable, and can be matched with virtually any garment.

The a-line dress and the full-length dress will both use more fabric than the other dresses in the line. The a-line dress will be made in a pattern and the full-length dress will be made with a dip dye process. So, they have the highest price-points. The empire-waist dress will have the second highest price point because it will use the combination of two different fabric colors, and has a lace embellishment along the hem. The shoes will all sell for a retail price of \$30. This is a fair price for shoes, while not being too inexpensive to the point that the consumer feels like the product lacks quality.

Gross Margin for Biggest Sellers: \$950,000

Safe Selling Items

1. Item #5 Strapless, Uneven-hem Dress retails for \$15
 2. Item #7 Lace-up Heels retails for \$30
 3. Item #8 Lace-up Gladiator Sandals retails for \$30
- Wholesale Price \$8.00 = Original Retail Price \$30.00
 - Wholesale Price \$4.00 = Original Retail Price \$15.00

I chose these three items as the safe selling items because they all cater to a more specific market in terms of aesthetics. As I mentioned above, not everyone wears heels or gladiator style sandals, but they are both still very popular styles that many women will want to wear, especially when paired with one of the line's dresses. I chose Item #3 as one of the safe selling items because it has a shorter hemline and is strapless, which is not necessarily as flattering for different body types as the dresses that will be the biggest sellers.

The shoes will be priced at \$30 retail. This price point falls into a median category for most shoes sold in moderately priced stores, but still indicates the value of the shoes and the value of the brand. The uneven-hem dress will have a lower price point than the other dresses because it uses less fabric, but also allows women that may not be able to afford the higher price point dresses an opportunity to own a piece of the line.

Gross Margin for Safe Selling Items: \$440,000

Test Item

1. Item #3 Strapless, Uneven-hem dress retails for \$30
- Wholesale Price \$10.00 = Original Retail Price \$30.00

I chose this item as my test item because I feel like it accurately reflects many aspects of the line itself, which is very helpful in troubleshooting any adjustments that might need to be made to processes, like cutouts, dip dyes, and the cut of the uneven hems, which are all incorporated in this particular piece. I feel like this garment represents the overall feel and theme of the line and will be a good piece to use to determine how the market will perceive the line and pinpoint what needs to be changed before producing the other pieces.

The price point fits the garment well because of the finishing techniques that will need to be used, and because it closely reflects the average price point of the other items in the line. This will leave the customer with a well-rounded perception of the brand and good idea of what to expect from the other pieces once they are in stores next summer.

Gross Margin for Test Items: \$20,000

Line Sheet						
Date: November 26, 2012						
Year/Season: Summer 2013						
Product Line: Free Spirit						
Product Line Description: Casual, fun, flirty, bohemian dresses and shoes						
Fabric Description: Cotton, Rayon, Polyester						
SKU Plan	SKU	Fabric Code	Color Name	Samples	Sample Sizes	Gross Margin
Biggest Sellers						
Item #1 A-line Dress	100301	Rayon	Sunset Yellow with red-stripe print	10,000	S, M, L	\$260,000
Item #2 Empire-waist Dress	100303	Cotton/polyester	Apricot Orange, Red Bird, Braison Brass	10,000	S, M, L	\$230,000
Item #4 Full-length Dress	100302	Cotton/rayon	Vanilla Cream, Braison Brass, Apricot Orange (dip dye)	10,000	S, M, L	\$260,000
Item #6 Lace-up Flats	100503	Rubber/plastic/rayon	Royal Purple, Braison Brass, Cocoa Bean	10,000	6, 7, 8, 9, 10	\$200,000
Safe-Selling Items						
Item #5 Strapless, Uneven-hem Dress	100304	Cotton/rayon	Sunset Yellow with Red Bird (dip dye)	8,000	S, M, L	\$88,000
Item #7 Lace-up Heels	100502	Rubber/plastic/rayon	Braison Brass, Cocoa Bean	8,000	6, 7, 8, 9, 10	\$176,000
Item #8 Lace-up Gladiator Sandals	100501	Rubber/plastic/rayon	Cocoa Bean, Vanilla Cream	8,000	6, 7, 8, 9, 10	\$176,000
Test Item						
Item #3 Strapless, Uneven-hem Dress	100305	Cotton/polyester	Royal Purple with Red Bird (dip dye)	1,000	S, M, L	\$20,000
Total:						\$1,410,000

Embargoed Item – Free Spirit

Item #1, the a-line dress, has been embargoed at U.S. customs. Therefore, I have decided to replace this item in the product line with a previously eliminated item, the romper. I have chosen this item as a replacement because it has quite a few similarities with the unavailable a-line dress. The romper still embodies the overall feel and theme of the line, and will pair nicely with the rest of the dresses and shoes in the line. It will not require an excessive amount of fabric to produce and will add another garment option to the line that didn't previously exist.



This item may not have the same free-flowing silhouette as the a-line dress, but it is still funky, bohemian, and fun. The romper still incorporates another print into the line, like the a-line dress, instead of adding another solid color. The drop-waist silhouette is quirky, adventurous, and provides more flexibility for added movement. Rayon is used to manufacture both garments. So, the hand and drape of the two garments will be quite comparable. While the a-line dress was marketed to attract a more flirty and feminine consumer, the romper will be geared towards attracting a more funky, trendy consumer.

The romper is worth the retail price of \$40 because it uses the same type of fabric and a very similar print as the a-line dress. Because the wholesale price of the garment is going to be \$26 instead of \$14, the use of less fabric for the romper than the a-line dress is more economical. The consumer will be willing to pay this price for the garment when compared with the price of the other item's fabrics and available colors in the line. It is also imperative that the retail price of this item remains the same as the embargoed item because of the need to regenerate as high of a profit margin as possible on an item that is planned to be a big seller.

The romper's SKU number will be 100300. It will be available in sizes small, medium, and large. The only color available will be apricot orange with a red-dot print.

When the a-line dress is released from embargo, I will try to find another line to add the item. If I receive the item the next quarter, then it should arrive around at the end of the summer season and beginning of the fall season. The a-line dress could fit nicely into a fall collection with separates that can be layered, or will sell in a warmer market that may not experience cooler weather until later in the year. I think that the a-line dress can still be sold at the \$40 price point on account of the very soft, rayon fabric and amount of fabric provided in the garment. If the garment cannot be sold for the original price point, it can either be held until the next spring or summer season when it will sell for that price, or could be distributed to stores as a late in the season sale item with a ten or fifteen percent markdown. Even if the garment was marked down to \$30, there would still be a 200% profit margin on the garment, which is well worth the extra effort taken to sell the 10,000 units versus the cost of storing them.

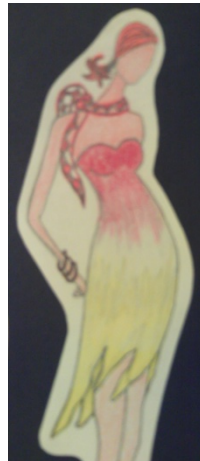
By replacing the a-line dress with the romper, the extra cost incurred for domestically manufacturing the item decreases the overall profit on the item by \$120,000. The replacement will also affect the total gross margin, decreasing it by \$120,000, as well. The expected total gross margin was \$1,410,000, but now the expected total gross margin will be \$1,290,000.

Updated Line Sheet:

Line Sheet						
Date: December 1, 2012						
Year/Season: Summer 2013						
Product Line: Free Spirit						
Product Line Description: Casual, fun, flirty, bohemian dresses and shoes						
Fabric Description: Cotton, Rayon, Polyester						
SKU Plan	SKU	Fabric Code	Color Name	Samples	Sample Sizes	Gross Margin
Biggest Sellers						
Item #1 Romper	100300	Rayon	Apricot Orange with Red-Dot Print	10,000	S, M, L	\$140,000
Item #2 Empire-waist Dress	100303	Cotton/polyester	Apricot Orange, Red Bird, Braison Brass	10,000	S, M, L	\$230,000
Item #4 Full-length Dress	100302	Cotton/rayon	Vanilla Cream, Braison Brass, Apricot Orange (dip dye)	10,000	S, M, L	\$260,000
Item #6 Lace-up Flats	100503	Rubber/plastic/rayon	Royal Purple, Braison Brass, Cocoa Bean	10,000	6, 7, 8, 9, 10	\$200,000
Safe-Selling Items						
Item #5 Strapless, Uneven-hem Dress	100304	Cotton/rayon	Sunset Yellow with Red Bird (dip dye)	8,000	S, M, L	\$88,000
Item #7 Lace-up Heels	100502	Rubber/plastic/rayon	Braison Brass, Cocoa Bean	8,000	6, 7, 8, 9, 10	\$176,000
Item #8 Lace-up Gladiator Sandals	100501	Rubber/plastic/rayon	Cocoa Bean, Vanilla Cream	8,000	6, 7, 8, 9, 10	\$176,000
Test Item						
Item #3 Strapless, Uneven-hem Dress	100305	Cotton/polyester	Royal Purple with Red Bird (dip dye)	1,000	S, M, L	\$20,000
Total:						\$1,290,000

Strategies to Sell Safe-Selling Items:

Two of the safe-selling items, Item #5 strapless, un-even hem dress and Item #8 lace-up gladiator sandals, are not selling as well as intended on account of a sizing issue that occurred during the product development process. To ensure that these items sell-thru, the following strategies will need to be implemented; a markdown in price will be executed, a promotional display will be sent to stores, and retail staff will be encouraged to assist customers with sizing to ensure a correct fit. After a markdown is performed, a promotional display will be sent to stores, which moves the two styles to an area with a heavier flow of customer traffic. The retail stores will be informed of the sizing issue and will be told to place a bench and mirror by the promotional display to encourage customer to try on the merchandise and to purchase the two items together as an outfit. The retail stores will also be directed to assist all customers by the merchandise and encourage them to try the product on before purchasing to get an accurate size.



Markdown:

The markdown for the safe-selling items will be 15% percent off Item #5 strapless, un-even hem dress and 20% off Item #8 lace-up gladiator sandals.

Gross Margin:

The gross margin for Item #5 strapless, uneven hem dress will be brought down from \$88,000 to \$70,000. The gross margin for Item #8 lace-up gladiator sandals will be brought down from \$176,000 to \$128,000. This is a total loss of \$66,000, leaving the total gross margin reduced from \$1,290,000 to \$1,224,000. The line sheet has been updated below to reflect the changes.

Line Sheet

Date: December 1, 2012

Year/Season: Summer 2013

Product Line: Free Spirit

Product Line Description: Casual, fun, flirty, bohemian dresses and shoes

Fabric Description: Cotton, Rayon, Polyester

SKU Plan	SKU	Fabric Code	Color Name	Samples	Sample Sizes	Gross Margin
Biggest Sellers						
Item #1 Romper	100300	Rayon	Apricot Orange with Red-Dot Print	10,000	S, M, L	\$140,000
Item #2 Empire-waist Dress	100303	Cotton/polyester	Apricot Orange, Red Bird, Braison Brass	10,000	S, M, L	\$230,000
Item #4 Full-length Dress	100302	Cotton/rayon	Vanilla Cream, Braison Brass, Apricot Orange (dip dye)	10,000	S, M, L	\$260,000
Item #6 Lace-up Flats	100503	Rubber/plastic/rayon	Royal Purple, Braison Brass, Cocoa Bean	10,000	6, 7, 8, 9, 10	\$200,000
Safe-Selling Items						
Item #5 Strapless, Uneven-hem Dress	100304	Cotton/rayon	Sunset Yellow with Red Bird (dip dye)	8,000	S, M, L	\$70,000
Item #7 Lace-up Heels	100502	Rubber/plastic/rayon	Braison Brass, Cocoa Bean	8,000	6, 7, 8, 9, 10	\$176,000
Item #8 Lace-up Gladiator Sandals	100501	Rubber/plastic/rayon	Cocoa Bean, Vanilla Cream	8,000	6, 7, 8, 9, 10	\$128,000
Test Item						
Item #3 Strapless, Uneven-hem Dress	100305	Cotton/polyester	Royal Purple with Red Bird (dip dye)	1,000	S, M, L	\$20,000
Total:						\$1,224,000

Effects:

This is definitely a setback in the planned profit the Free Spirit line. However, markdowns are almost inevitable. For the initial markdowns, 15% and 20% off of these items are not major losses. The ideal way for the markdown scenario to turn out is to use our promotional efforts inside the store to sell-thru the rest of these two products before another markdown is necessary. If these products can be sold before requiring another markdown, the overall profits for this line will not be changed drastically. So, it is imperative that all of our possible efforts are made to sell these items.

Next Season:

To ensure that this mistake does happen again next season, a meeting will need to be held with the product development team, specifically the individuals in charge of sizing. The impact of this mistake needs to be made very clear to the team, probably with the use of the line sheet to demonstrate the full impact of simple sizing issues for customers. Sizing can be a sensitive subject for many consumers. So, accurate sizing is imperative to produce the expected amount of sales from a product. The product development needs to be fully on-board with understanding the importance of this issue and all of the time and effort that is needed to rectify a problem that may seem small, but actually has the potential to snowball into greater problems, like excess inventory or a complete loss of profit.

Strategies to Replenish the Test Item:

The test item, Item #3 strapless, uneven hem dress, has been selling so well that it has been decided to order a replenishment shipment. The replenishment shipment will be manufactured domestically in order to have the merchandise on the store's floors in time to sell by the end of the season. It is hard to determine if these particular styles will as popular next season as they have proven to be this season. So, manufacturing overseas is not an option to receive the goods in a timely manner. In order to accommodate for the extra cost being incurred by manufacturing domestically, the retail price of the garment will be raised from \$30 to \$40, while the wholesale price will be raised from \$10 to \$20. The target market has been so pleased with this item that the increase in price should not affect sales, especially at the end of the season when consumers are clamoring to get the styles and trends that they missed out on purchasing earlier in the season.



SKUs and Order Amount:

Item #3 the strapless, uneven hem dress replenishment order will have a SKU number of 100306. The garment will come in small and medium sizes to reduce the impact that markdowns may have on larger sizes at the end of the season. This time the color of the garment will be royal purple with an apricot orange to create some diversity between the two pieces without making too many, costly changes. Only 1,000 of this particular garment were previously ordered. So, in order to ensure that the replenishment order will sell-thru by the end of the season, only 250 garments will be ordered for replenishment.

Gross Margin:

The gross margin for Item #3 strapless, uneven hem dress replenishment order will be \$5,000. This is not a tremendous amount of extra profit, but will definitely help offset the impact of the markdowns taken from the safe-selling items. The line sheet has been updated below to reflect the addition of the replenishment shipment.

Line Sheet						
Date: December 1, 2012						
Year/Season: Summer 2013						
Product Line: Free Spirit						
Product Line Description: Casual, fun, flirty, bohemian dresses and shoes						
Fabric Description: Cotton, Rayon, Polyester						
SKU Plan	SKU	Fabric Code	Color Name	Samples	Sample Sizes	Gross Margin
Biggest Sellers						
Item #1 Romper	100300	Rayon	Apricot Orange with Red-Dot Print	10,000	S, M, L	\$140,000
Item #2 Empire-waist Dress	100303	Cotton/polyester	Apricot Orange, Red Bird, Braison Brass	10,000	S, M, L	\$230,000
Item #4 Full-length Dress	100302	Cotton/rayon	Vanilla Cream, Braison Brass, Apricot Orange (dip dye)	10,000	S, M, L	\$260,000
Item #6 Lace-up Flats	100503	Rubber/plastic/rayon	Royal Purple, Braison Brass, Cocoa Bean	10,000	6, 7, 8, 9, 10	\$200,000
Safe-Selling Items						
Item #5 Strapless, Uneven-hem Dress	100304	Cotton/rayon	Sunset Yellow with Red Bird (dip dye)	8,000	S, M, L	\$70,000
Item #7 Lace-up Heels	100502	Rubber/plastic/rayon	Braison Brass, Cocoa Bean	8,000	6, 7, 8, 9, 10	\$176,000
Item #8 Lace-up Gladiator Sandals	100501	Rubber/plastic/rayon	Cocoa Bean, Vanilla Cream	8,000	6, 7, 8, 9, 10	\$128,000
Test Item						
Item #3 Strapless, Uneven-hem Dress	100305	Cotton/polyester	Royal Purple with Red Bird (dip dye)	1,000	S, M, L	\$20,000
Item #3 Replenishment Order	100306	Cotton/polyester	Royal Purple with Apricot Orange (dip dye)	250	S, M	\$5,000
Total:						\$1,229,000

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