

SCHOOL OF BUSINESS

LONDON CAMPUS

Assignment 1 Report

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1. Business description / Market Opportunity

The Modern Pet is a forward-thinking brand that specializes in creating tailored, high-quality fashion for pets. Our products are designed with the modern pet owner in mind, combining style, functionality, and sustainability. From custom-fitted coats and sweaters to bespoke accessories like collars and harnesses, The Modern Pet offers a wide range of products that cater to the unique needs and personalities of pets. Our products are made from eco-friendly materials, ensuring that our commitment to sustainability is as strong as our dedication to fashion. Each piece is crafted with attention to detail, providing pets with comfortable, durable, and stylish attire that reflects the love and care of their owners. Our mission is to revolutionize the pet fashion industry by offering personalized, sustainable, and high-quality products that celebrate the bond between pets and their owners, while promoting ethical and eco-friendly practices.

2. Industry Analysis

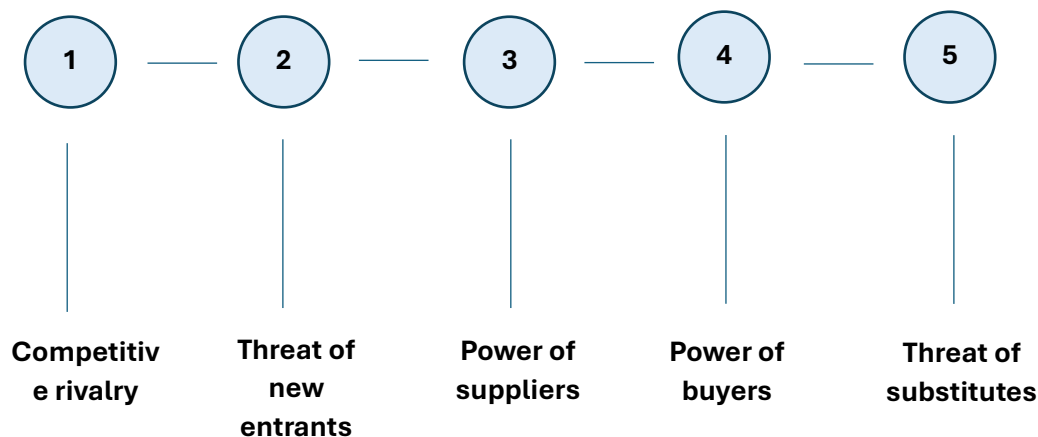
The pet fashion industry has evolved significantly over the past decade, transforming from a niche market into a mainstream sector. As of 2024, the global pet clothing market is valued at approximately \$6.9 billion, with a projected compound annual growth rate (CAGR) of around 4.5% over the next five years (GfK, 2020). This growth is driven by several factors, including increasing pet ownership, the humanization of pets, and the rising trend of pet pampering, especially among millennials and Gen Z. In particular, the demand for personalized and tailored pet clothing is on the rise, with customers seeking unique and high-quality products that reflect their pets' personalities and their own lifestyles (GfK 2020).

VRIO Analysis

V Valuable	R Rare	I Inimitable	O Organised	
NO				COMPETITIVE DISADVANTAGE
YES	NO			COMPETITIVE PARITY
YES	YES	NO		TEMPORARY COMPETITIVE ADVANTAGE
YES	YES	YES	NO	UNUSED COMPETITIVE ADVANTAGE
YES	YES	YES	YES	SUSTAINABLE COMPETITIVE ADVANTAGE
Value The Modern Pet offers high-quality, tailored fashion items for pets, meeting the growing demand for personalized and fashionable pet attire. This value proposition aligns with the increasing willingness of pet owners to spend on their pets' appearance and comfort, making it a valuable offering in the market.				
Rarity While there are many pet clothing brands, few focus specifically on tailored and customizable fashion. The rarity of this specialization can create a niche market, where The Modern Pet distinguishes itself from mass-market pet clothing providers.				
Imitability While other companies could imitate the idea of tailored pet fashion, The Modern Pet can establish a competitive edge through superior craftsmanship, unique designs, and exceptional customer service. Building a strong brand and customer loyalty would make imitation difficult for competitors.				
Organization To fully capitalize on its resources, The Modern Pet must be well-organized, with efficient operations, a strong supply chain, and a marketing strategy that targets the right audience. Leveraging technology for customer data analysis and supply chain management will be crucial in maintaining competitive advantage.				

Porter's Five Forces Analysis

Porter's Five Forces model provides a framework for analysing the competitive environment in which The Modern Pet would operate.



Industry Rivalry

Competitors

Key competitors include established brands like Dog Threads and The Paws, which offer stylish pet clothing but may not focus on the tailored aspect. Rover Boutique and Ruby Rufus are other competitors that provide high-end pet fashion but may not offer the same level of customization as The Modern Pet (GfK, 2020).

Competitive Advantage

The Modern Pet differentiates itself by focusing on tailored, customizable fashion that caters to the unique needs and preferences of pet owners, which is less common among competitors.

Threat of New Entrants

Barriers to Entry

The pet fashion industry has relatively low barriers to entry, with minimal capital requirements for starting a small-scale operation. However, building a strong brand and establishing a supply chain for quality materials may deter some new entrants.

Potential New Entrants

New entrants could include both traditional pet product companies expanding into fashion and new startups focused on pet clothing. However, the niche focus on tailored fashion could reduce the threat if The Modern Pet establishes a strong brand early on.

Bargaining Power of Suppliers

Supplier Power

The bargaining power of suppliers in the pet fashion industry can vary depending on the uniqueness of materials and the number of suppliers available. For instance, if The

Modern Pet sources unique fabrics or specialized tailoring services, these suppliers could have significant bargaining power.

Mitigation

Developing strong relationships with multiple suppliers and possibly backward integration, such as in-house production of certain materials, can reduce dependency on external suppliers.

Bargaining Power of Buyers

Buyer Power

Pet owners, the primary buyers, have many options when it comes to pet clothing, which gives them significant bargaining power. However, the uniqueness of tailored fashion can reduce this power, as customers seeking customization may have fewer alternatives.

Customer Loyalty

Building a loyal customer base through high-quality products and excellent customer service will be key to mitigating buyer power.

Threat of Substitutes

Substitute Products

The primary substitutes for tailored pet clothing include mass-produced pet fashion items, DIY pet clothing, and general pet accessories. These alternatives could appeal to price-sensitive customers.

Differentiation

Emphasizing the uniqueness, quality, and customization of The Modern Pet's offerings can help differentiate from substitutes and maintain a competitive edge.

Competitor Analysis

Dog Threads

Specializes in matching outfits for dogs and owners, offering stylish and trendy designs. They focus more on the matching aspect rather than customization, providing a different appeal than The Modern Pet's tailored offerings (GfK,2020).

The Paws

Offers a wide range of pet clothing with a focus on functionality and style. While they have a broad selection, they do not emphasize customization, giving The Modern Pet a competitive edge in the tailored market.

Rover Boutique

A luxury pet clothing brand that offers high-end fashion for pets. While they offer premium products, their focus is not on customization, which remains The Modern Pet's unique selling proposition (GfK,2020).

Ruby Rufus

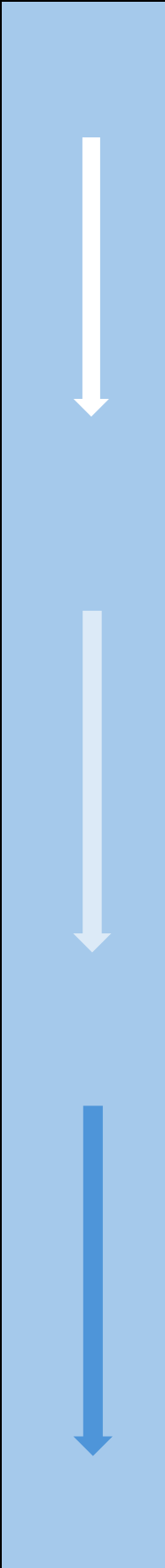
Known for their cashmere sweaters for dogs, Ruby Rufus offers high-quality products but with limited customization options, allowing The Modern Pet to carve out a niche in the tailored pet fashion segment.

The Modern Pet has the potential to enter the pet fashion industry successfully by capitalizing on the growing demand for personalized and high-quality pet attire. Through a strong focus on tailored fashion, efficient operations, and strategic marketing, The Modern Pet can differentiate itself from competitors and establish a loyal customer base. By leveraging its unique value proposition and understanding the industry dynamics through tools like the VRIO analysis and Porter's Five Forces model, The Modern Pet can position itself as a leader in the niche market of tailored pet fashion.

3. Operation and Management team

The Modern Pet provides high-quality, tailored fashion for pets, focusing on customization and unique designs that reflect both the pet's and owner's personality. The business process involves several key stages, including product design, sourcing materials, production, quality control, marketing, sales, and delivery.

Detailed Business Process

	1. Product Design
	Initial Concept The process begins with brainstorming sessions where designers create sketches and prototypes based on market research and customer preferences.
	Customization Customers have the option to choose fabrics, colours, and styles, which are then finalized in collaboration with the design team.
	2. Sourcing Materials
	Suppliers High-quality fabrics, threads, and accessories are sourced from ethical suppliers. We plan to work with suppliers specializing in sustainable and organic materials to align with our brand's commitment to sustainability.
	Sourcing Locations Suppliers will be selected from the UK and Europe to ensure quick delivery times and reduced carbon footprint.
	3. Production
	Manufacturing Site Production will be handled at a dedicated workshop located in London. The site will be equipped with specialized sewing machines, cutting tools, and other equipment necessary for producing high-quality pet clothing.
	Team Involvement A team of skilled tailors and seamstresses will be involved in the production process, ensuring that each piece meets our quality standards.
	4. Quality Control
	Inspection Each product undergoes rigorous quality checks to ensure it meets the design specifications and quality standards before being packaged and shipped.
	Final Approval Only after passing these checks will the products be approved for dispatch.
	5. Marketing and Sales
	Online Presence Sales will be conducted primarily through our e-commerce website, with a strong focus on social media marketing to reach our target audience.

  Reflection	
	Upselling and Cross-Selling Customers will be offered matching accessories, such as leashes, collars, and pet carriers, during the checkout process.
	6. Distribution
	Transportation Finished products will be transported to customers using reliable courier services. Local deliveries within London may be handled by our own logistics team to ensure prompt delivery.
	Shipping We will offer worldwide shipping, with logistics partners ensuring safe and timely delivery.
	7.Customer Service
	Support A dedicated customer service team will handle inquiries, returns, and customization requests, ensuring a seamless experience for our clients.
	8. Feedback and Improvement
	Customer Feedback Post-purchase feedback will be collected to continually improve our products and services.
	Iteration Based on feedback, the design and production processes will be refined to better meet customer needs.

Supplies and Equipment

Supplies



Fabrics Organic cotton, wool, and other sustainable materials.

Accessories Buttons, zippers, and decorative items sourced from reputable suppliers.

Packaging Eco-friendly packaging materials that align with our brand's sustainability goals.

Equipment

Sewing Machines High-end sewing machines capable of handling a variety of fabric types.

Cutting Tools Precision cutting tools for detailed work.

Computers and Software Design software and computers for managing orders and designs.

Transportation

Supplies to Production Site Materials will be delivered by suppliers directly to our London workshop.

Finished Goods to Customers Finished products will be dispatched to customers using trusted courier services, ensuring safe and timely delivery.

Revenue Generation and Loss Prevention

Revenue Generation		
Upselling	Upgrading	Economies of Scale
Offering additional products such as matching pet accessories, seasonal collections, and customization options	Introducing premium product lines with higher-quality materials and exclusive designs.	As the business grows, bulk purchasing of materials will reduce costs, allowing us to offer competitive pricing while maintaining margins.
Loss Prevention		
Quality Control	Inventory Management	Customer Retention
Stringent quality checks will reduce the likelihood of returns and dissatisfaction.	Efficient inventory management practices will prevent overproduction and reduce waste.	Implementing loyalty programs and ensuring exceptional customer service to maintain a strong customer base.

Operational Activities

1. Production Planning.
2. Supplier Management.
3. Order Fulfilment.
4. Customer Relationship Management

Management Team Profile

Founder and CEO	COO	CFO
		
Valentina Petkova	Dereck Antony	James Clifford
Background Valentina holds a degree in Fashion Design from Central Saint Martins, London. She has over 10 years of experience in the fashion industry, working with renowned brands like Burberry and Stella McCartney. Her expertise lies in luxury fashion and sustainable design practices.	Background Derek holds a degree in Business Administration from the London School of Economics and has 15 years of experience in operations management within the retail sector. He has a proven track record of optimizing supply chains and improving operational efficiency.	Background James is a Chartered Accountant with an MBA from Oxford University. He has worked with leading financial firms, including PwC and Deloitte, and has over 12 years of experience in financial management.

Entrepreneurial Competence Valentina's passion for fashion and her experience in high-end fashion design make her the perfect leader for The Modern Pet. Her understanding of the market and commitment to sustainability drives the business's vision.	Entrepreneurial Competence Derek's operational expertise ensures that The Modern Pet runs smoothly, from sourcing materials to delivering products to customers. His strategic mindset and leadership skills are instrumental in scaling the business.	Entrepreneurial Competence James' financial acumen ensures that The Modern Pet maintains a healthy cash flow and operates within budget. His experience in managing finances for startups and scaling businesses is crucial for the company's growth.
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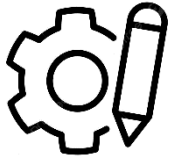
4. Marketing Plan and strategy

The Modern Pet is a brand that specializes in creating tailored, high-quality fashion for pets. Our goal is to combine functionality, comfort, and style in pet clothing, offering products that cater to both the practical needs of pets and the aesthetic desires of their owners. This marketing plan will detail how The Modern Pet will market and sell its products, focusing on the Four P's: Product, Price, Promotion, and Place.

1. Marketing Strategy

The Modern Pet positions itself as a premium, sustainable, and customizable pet fashion brand that offers unique, stylish, and high-quality products for discerning pet owners who consider their pets as integral family members. Our brand is committed to sustainability and ethical practices, ensuring that all our products are made from eco-friendly materials.

Points of Differentiation



Customization



Sustainability



Innovation



Quality

2. The Four P's of Marketing

1.Product The Modern Pet will offer a wide range of pet clothing, including coats, sweaters, rain gear, and seasonal outfits, all customizable in terms of fabric, colour, and size. Our products will also include matching accessories, such as collars, leashes, and hats.	Product Differentiation	Customization
		Sustainability
		Limited Editions
	Product Quality	Durability
		Comfort
		Safety
2.Price The Modern Pet will adopt a premium pricing strategy to reflect the high quality, customization options, and sustainability of our products. Our prices will be positioned above mass-market pet clothing brands but competitive with other premium brands.	Pricing Structure	Base Pricing
		Bundle Pricing
		Seasonal Sales and Promotions
	Price Perception	
3.Promotion Our promotional activities will focus on building brand awareness, highlighting our unique value proposition, and driving customer engagement through various channels.	Promotional Mix	Digital Marketing
		Social Media Campaigns
		Influencer Collaborations
		Email Marketing
	Content Marketing	Blog
	Public Relations	
	Loyalty Programs	

4.Place	Sales Channels	E-commerce Website
The Modern Pet will utilize a multi-channel distribution strategy to reach a broad audience while maintaining control over the brand experience.		Mobile App:
		Online Marketplaces
		Boutique Partnerships
	Inventory Management	
	Logistics	

The Modern Pet's marketing plan is designed to position the brand as a leader in the premium pet fashion market by leveraging high-quality, customizable products, and a strong commitment to sustainability. By carefully balancing the Four P's—Product, Price, Promotion, and Place—we aim to create a compelling brand that resonates with our target audience and drives business growth.

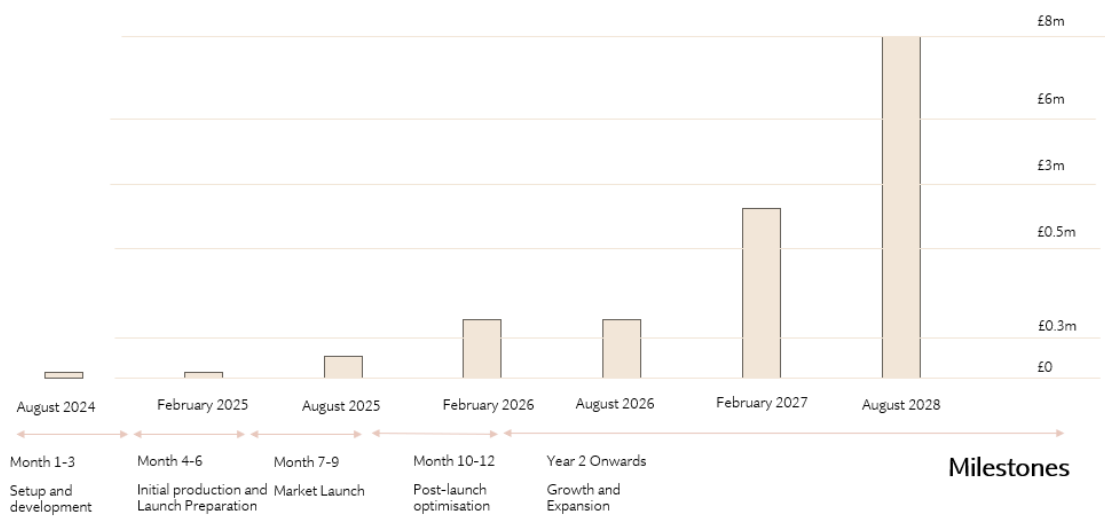
This plan will guide our efforts to market and sell our products effectively, ensuring that The Modern Pet becomes the go-to brand for pet owners who seek the best in tailored fashion for their furry friends.

5. Financial plan

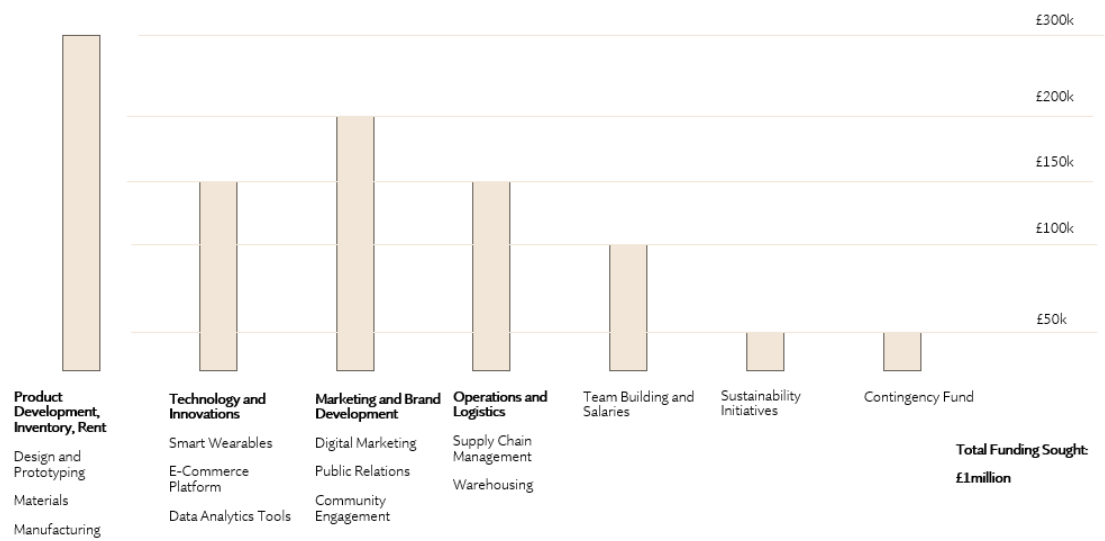
The Modern Pet aims to establish itself as a premium provider of tailored pet fashion, focusing on quality, sustainability, and customization. To achieve this, we need a comprehensive financial plan that outlines our sources and uses of funds, as well as a cash budget forecast. Below are two graphs illustrating the expected growth and funding requirements and allocations needed and how these funds will be allocated to achieve financial sustainability.

Financial Sustainability Strategy

Expected Growth



Funding Requirements and Allocations



6. Closing Summary

The Modern Pet is well-positioned to capitalize on this market opportunity by offering a unique value proposition that combines tailored fashion with sustainability. While there are several competitors in the pet fashion industry, few focus on customization and eco-friendly materials to the extent that we do. This differentiation allows us to target a niche market of pet owners

who prioritize quality, personalization, and environmental responsibility. The Modern Pet is set to make a significant impact in the pet fashion industry by offering unique, sustainable, and tailored products for pets. Our mission is to enhance the bond between pets and their owners while promoting responsible and ethical business practices. With a strong focus on intellectual property protection, a well-defined ownership structure, and adherence to legal considerations, The Modern Pet is poised for success in this growing market.

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