

CAVENDER'S

★ WESTERN OUTFITTER ★

PREPARED FOR
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E-COMMERCE/ONLINE MARKETING
CAVENDER'S

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RETAILING IN THE 21ST CENTURY
THE UNIVERSITY OF TEXAS AT TYLER

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Executive Summary

With the retail industry becoming increasingly competitive as time progresses, developing new and innovative marketing plans and techniques have become a part of not only success, but survival. This concept is even tougher for stores with niche markets, yet Cavender's continues to thrive despite the fierce competition. However, if you wish to expand your current market segment as well as attract others outside of it, marketing strategies may need to be expanded.

The purpose of this report is to provide you with marketing strategies, online media platforms, and in-store merchandising to attract and retain current and new consumers within the female, age 25-45 demographic. Knowing what types of advertising and store design the target market responds to is critical in attaining this goal.

Our observations assisted us in developing a plan that focuses on the consumer and how she views Cavender's, both in-store and online. Our report shows numerous aspects of Cavender's retail operations and provides recommendations on ways to improve the following:

Online Advertising and Selling

- Providing online customers with age appropriate fashion advice
- Cross selling by showcasing multiple items on display at one time
- Pursuing a more aggressive e-mail advertising campaign

Organization of the Physical Store

- Designing the layout of the store so that it is easier to navigate
- Dressing mannequins with complete, stylish merchandise and placing in strategic locations
- Utilizing wall and floor space to better organize clothes by age category, brand, and color

Atmosphere within the Physical Store

- Displaying photos of models wearing trendy outfits throughout the store
- Improving the lighting in the store to improve customers' moods and perceptions

Based on our observations, we believe our strategies and recommendations will achieve your desired result after implementation.

Online

With two-thirds of online shoppers being women, capitalizing on the profitability of these online consumers is vital for Cavender's. We believe that an online campaign showcasing Cavender's in a new light while keeping your traditional western appeal is key for attracting and retaining current and new female customers. Our group has devised an aggressive online marketing campaign that promotes awareness of your updated, fashionable western merchandise. Our plan includes boldly pursuing:

- Website fashion assistance
 - Help customers look great at every age
 - Show that your merchandise pays for itself
- Facebook marketing
- Email marketing
- Mobile Marketing

Website Fashion Assistance

Help Customers Look Great at Every Age

Many women in the mid-to-upper range of the 25-45 demographic are very interested in current fashion and looking youthful but are not confident in constructing an outfit in an age appropriate, stylish way. They want to look youthful but not appear as though they are trying too hard. You can find numerous age-appropriate fashion tips in almost all of the popular fashion magazines, which shows it is a major concern. Also, many of these women have teenage daughters that they would like to shop for but are afraid they will choose the wrong items. You can cater to these women on your website by showing the latest fashion items available at Cavender's, and display them being worn age-appropriately in the following categories:

- Juniors (teens)
- Cutting Edge Cowgirl (20's)
- Urban Cowgirl (30's)
- Vintage-chic Cowgirl (40's.)



The images were taken from the *HARPER'S BAZAAR* website which gives advice to women on how to wear spring denim in the correct way for your age. The results of assisting female customers in this way will accomplish the following:

- Women of all ages will be aware that Cavender's carries more than traditional western items.
- Female customers of all ages will have assurance that they can wear the latest fashions and accessories from Cavender's age appropriately, promoting self-confidence.
- Women will have confidence in their purchases for themselves and for their teenage daughters if they fall into the class.
- Online sales for Cavender's will increase along with foot traffic in the store.

Show That Your Merchandise Pays for Itself

As Brent Allison said, the competition for consumers' disposable income is fierce. To gain this income, you need to show women why they should spend money on items, especially pricier ones, in your store. When women are searching for high-priced, investment items such as expensive boots, pricey handbags, or high-priced belts, such as those offered at Cavender's, there is a high-level of involvement in the purchase. They want to feel confident that they are making a practical decision with their selection. They want to be assured that they will be able to wear these items often, whether casual or more formal.

Ensure women that the higher-priced items will pay for themselves when they realize how versatile the pieces can be and how often they will be able to wear them. An example of this is seen in the image below.



The current issue of *In Style Magazine* shows how versatile this sleeveless blazer can be, assuring the customer that they will be investing in a practical purchase. Again, using this approach shows the key

pieces as well as other merchandise available at Cavender's, and we believe this type of marketing would promote more online purchases and possibly bring more people into the store.

Facebook: Improving Advertising and Cross Selling

Use "online boutique" images like the one below along with your current Facebook advertisements to create a sense of convenience and personalized service. Women enjoy seeing attractive, complete ensembles, and the focus of this display is on the clothing and accessories which can sometimes be muted displayed on a model. These images will achieve the following:

- The array of items offered at Cavender's will be showcased.
- Women will be aware that Cavender's carries both traditional western wear as well as more fashionable, urban western merchandise.
- Curiosity will rise and women who have never considered Cavender's will be enticed to visit the store and/or website resulting in increased sales.
- Women will have greater confidence in the fashion sense of the sales people at Cavender's and their ability to assist them in finding the most fashionable western looks.



You can also use this same approach for advertising accessories only on Facebook; as seen on the next page. Advertising this way will allow you to:

- Display more pieces of jewelry at once by stacking bracelets and layering necklaces which is the most current, stylish trend.
- Show women how they can interchange jewelry offered at Cavender's to change the look of an outfit.
- When women see these pieces displayed in this way, they are more likely to purchase more or all of the pieces in order to imitate the look.



The image on the left was taken from the FASHION HIPPO Website and the image on the right was taken from the *Cowboys & Indians Magazine*.

This type of advertising will dramatically differentiate Cavender's from their competitors. Country Outfitter is constantly promoting their store on Facebook every day, and we believe it will be in Cavender's best interest to do the same.

Email Marketing

One of our group members applied for email notifications from Cavender's, Baskins, and Sheplers. Over the past six weeks, Sheplers sent promotional emails on a continuous basis while no emails were received from either Cavender's or Baskins. Sheplers is aggressively pursuing email marketing which results in increased awareness of their store and products. We believe Cavender's should implement the same tactic for email marketing, especially with back-to-school and rodeo season approaching. Even if Cavender's does not send promotional or sales based emails on a frequent basis like Sheplers does, the repetitive nature of seeing the store's name on the subject line is enough to keep the Cavender's name on the receivers mind without them ever even opening the email. Some examples of non-promotional emails would be:

- Monthly Newsletters
- New Product Announcements
- Showcase for a Favorite Product (...of the week, ...of the month)

In- Store

Many women are not aware that Cavender's offers much more than traditional, western apparel or that Cavender's has a wide range of items available for purchase. It will be beneficial for you to highlight all of your fashionable merchandise on a grander scale throughout your store so that it is not overlooked. With back-to-school nearing it is important to promote and improve the children's section of the store. Also, rodeo season is approaching and women who do not frequent Cavender's are in need of something to wear to the rodeo events but be fashionable at the same time. This is the time to showcase your chic western apparel. If these women come into your store and are pleasantly surprised by your visually appealing merchandise displays, they will purchase more items, revisit the store, and promote Cavender's by word of mouth as well as social media. The group has prepared a marketing strategy for the Tyler location that we believe will:

- Drastically increase the number of new female customers ages 25-45 and retain current ones.
- Showcase your non-traditional, stylish western apparel while keeping your current, traditional western appeal.
- Create awareness of the extensive variety of items available at your store.

Our In-Store merchandising plan includes the following:

- Adjust the Store Layout
- Use Mannequin Displays and Groupings
- Section Women's Merchandise by Age Category
- Organize Merchandise by Brand
- Organize Merchandise by Color and Pattern
- Utilize Wall Space
- Implement New Lighting

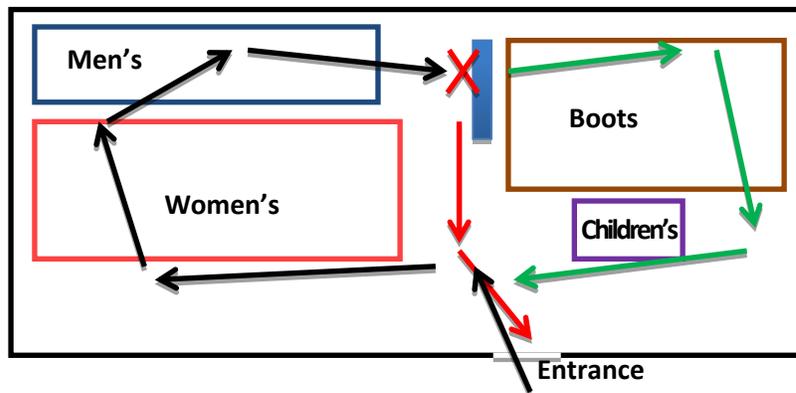
Store Layout

Organizing the Tyler store into more of a “racetrack” layout will help improve the amount of items purchased per transaction. Take your target demographic for example; many of them will be mothers who like to shop for their children as well as themselves. By making it easier to navigate through the store by having a set path, you can promote items that you believe will appeal to your target customers, such as children’s clothing. The subsequent issues with the customer route in current store layout should be addressed:

- The customer begins in the women’s section which wraps around in a counter-clockwise orientation into the men’s section.
- Then, the customer is lead into a barrier of jeans before reaching the men’s boot section.
- This wall of jeans interrupts the flow of the store because it seems like the men’s clothing stops there yet, it continues again towards the entrance.
- The men’s clothing picks up again and blends into the children’s section, which creates confusion.
- The location of the children’s section is probably, more often than not, overlooked.

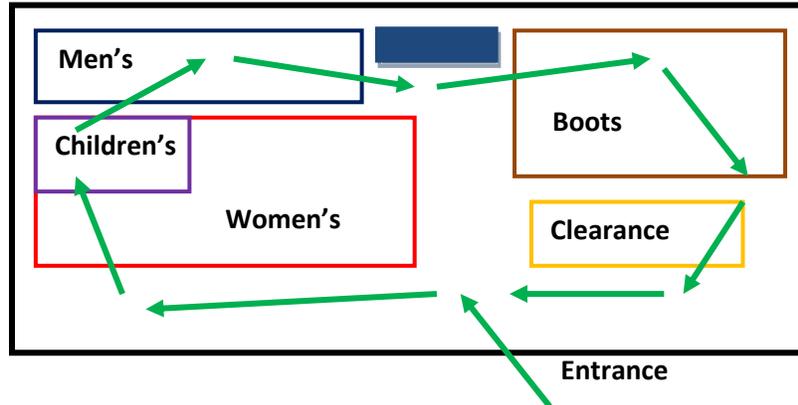
We believe the disconnection between the women’s and men’s sections and the children’s section is the reason the children’s merchandise sales are underwhelming. We have constructed a blueprint of your current layout as well as a more beneficial layout for your store.

Basic Current Store Layout



- The green path is the ideal route for your customers.
- The red path most closely resembles the current routes of your customers.

Basic Ideal Store Layout



This ideal store layout will enable more mothers to see the children's section easier and encourage them to make a purchase. We understand that the children's selections are small because of its difficulty to sell; however, we believe that by strategically placing the children's section closer to the women's section you will see an increase in sales of children's merchandise. At the very least, this would expose them to your current selection of children's merchandise and encourage them to browse the online catalog if they see anything that they find interesting.

Mannequins/Mannequin Groupings

Many women ages 25-45 prefer shopping in boutiques or certain department stores with a boutique feel. They are willing to pay more for certain items at these stores that can be found elsewhere at lower costs because of the convenience and enjoyable shopping experience. Many of these stores present their most popular and stylish items on mannequins to entice the customer. They decorate the mannequins with all types of merchandise such as layers of clothing, stacks of bracelets, either a statement necklace or layers of necklaces, handbags, hats, and shoes. The benefits of using mannequins are:

- Mannequins serve as personal shoppers to give customers ideas on how to use and interchange other items in the store.
- When women see entire ensembles on mannequins and visualize themselves wearing the same exact thing, they are almost persuaded that they need almost everything on the mannequin or else the outfit will not look complete.
- If a woman came in for a pair of jeans and did not plan to look anywhere else in the store, the mannequin would gain her attention.
- The woman would then want to find those items in the store and on her way through, she might notice a few other things and purchase more than she had intended.



You mentioned that you want women to know Cavender's offers more than traditional, western apparel and to think of Cavender's if they need a dress or something of that essence. Using mannequins and mannequin groupings to your full advantage will spotlight that you offer chic, western wear as well.

This is also a great way to exercise your employees' creative imaginations as well as promote teamwork. Allowing employees to show their creativity empowers them, makes them feel appreciated, and promotes a more united workplace, resulting in better customer service.

Sectioning Women's Merchandise: Age Categories

As we mentioned previously in the online portion of the report, Women of all ages want to be in style and wear the latest fashions but in the appropriate way for their age. Before organizing by brand and color, first divide the merchandise into age categories and create subsections within the women's section. As we mentioned before in the online section of the report, women consider dressing stylishly while still maintaining an age-appropriateness as a major concern. By implementing this you will give the customer confidence that they are browsing and purchasing the correct items without experience feelings of doubt and self-consciousness.

Organizing by Brand

Women become attached and loyal to certain brands and want to easily navigate through the area to see all that a certain brand has to offer. When women are not sure where particular brands are located in the store and they have to search for them:

- They become frustrated and the enjoyment of the shopping experience declines greatly.
- They will overlook numerous items and displays trying to find the brand they want.
- Many times, they give up the search and go to a place where they know they will be able to easily find their favorite items.

It is important for Cavender's to present merchandise in such a way that:

- Brand names are easily identifiable.
- All merchandise offered by a certain brand are grouped together for convenience.

Below, to the left, is an example of how Dillard's organizes their selection of Miss Me and Levi Jeans. This display and signage is very appealing to women and also touches on our idea of utilizing wall space. The image below, to the right, is an example of how to label merchandise on racks by brand.



The image on the next page displays another example of branding, using mannequins, and how to strategically place the merchandise promoted on the mannequins to encourage purchases. It is important to keep in mind:

- Pleasant shopping experiences can be greatly diminished when a customer sees something they want and cannot find it easily.
- The clothing being showcased should be located in very close proximity to the display creating a sense of convenience.



Doing something like this in Cavender's will enhance the customers' shopping experience by easily identifying the array of items available within a particular brand.

Organizing by Color

After organizing by brand, further organize by color:

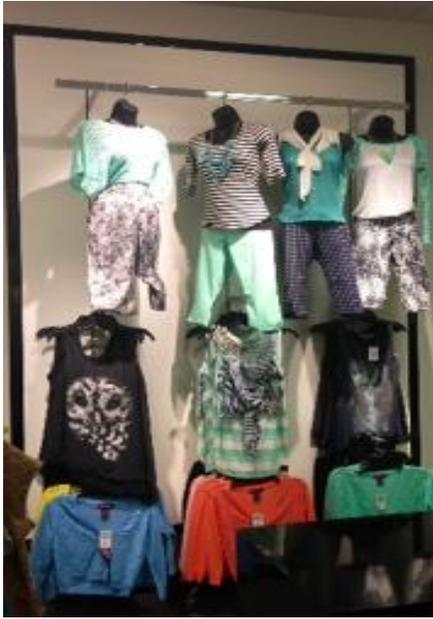
- Display colors by color range as well as complementary colors to create an aesthetic environment in the store.
- Be careful not to place too many busy fabrics together to evade creating a stressful environment.
- Avoid placing too many dark fabrics together; this creates a sense of dullness.

Women enjoy observing visually pleasing and neatly organized displays. By doing this, you will create a relaxing shopping experience for the female customers. Women will not only be able to conveniently find their favorite brands, but they will be able to navigate through color selection. The last thing women want to feel when they shop is frustration.



Utilizing Wall Space Merchandise

Entire or partial ensembles can be displayed on the walls of the store and are much more noticeable than they are on a rack. You can use your wall space to promote items the same way you would promote them on mannequins. Display the array of items at Cavender's as well as your employees' fashionable creativity by presenting merchandise in this visually pleasing way. An example of this is seen on the following page. Take notice of the accents of jewelry and usage of color range for this display, as well as complimentary "pop" colors on the bottom racks.



Pictures

On the tour we noticed the well-taken photographs of models wearing your merchandise. We believe you should use these pictures on the store walls, including the walls in the dressing rooms, enabling customers to visualize the merchandise being used and to generate ideas and feelings of how your products can fit into their own lives. These pictures serve the same purpose as mannequins. While implementing this idea it is important to consider:

- Pictures can display many different products without using too much space.
- “A picture is worth a thousand words.”
- It is an effective way to assist customers in finding the perfect outfit with little effort and frustration.
- When women see the complete outfit being worn by the model in the picture, they will also develop more ideas about how to interchange other merchandise in your store leading to more purchases.
- It is important to place these pictures in close proximity to the key piece being showcased. It greatly declines the shopping experience when you see something you like on a display and not being able to find the item.



Lighting

We believe it will be beneficial for Cavender's to invest in different lighting fixtures. The use of lighting helps define the overall store image, highlights merchandise and makes the detailed aspects of the items visible, and encourages purchases through visual enhancement. Basically, the proper use of lighting allows for a more enjoyable shopping experience.

- Lower levels of light, rather than florescence lighting, create a sense of quality in your products and are good for setting the mood in the store.
- Lower light is more relaxed, and you want your customers to have an enjoyable, relaxing experience.
- Proper lighting will entice customers to shop longer and purchase more.
- Accent lighting is helpful as well for showcasing special, best-selling items and should be used sparingly.
- It is important to make sure the corners of the store do not get too dark and close the customer in because this leads to a claustrophobic feeling and your merchandise located on the end of the walls will not be visible.

You could invest in new lighting fixtures that will make the store seem more upscale, in correlation with your merchandise. By upscale, we mean pleasing to the eye not only in the level of light but appearance as well. The current, florescent lights are utilitarian rather than fashionable. By using softer lighting, you will create an environment that customers will interpret as being of higher quality. When the image of quality is conveyed, women are going to be more likely to spend more money because they will feel like the merchandise is of a higher value and worth the price.

Lighting is also important when it comes to the dressing rooms. It can mean the difference between someone walking away from a purchase and buying the product. When trying on clothes, women like to investigate all aspects of a garment from color to fabric texture. This can become difficult without proper lighting and could lead to frustration. If a woman cannot understand what she is wearing, she is not going to buy it. Make it easier for her by providing adequate lighting that not only increases visibility but also highlights the best features of the merchandise on her. When choosing lighting for the dressing rooms consider the following:

- Warm lighting makes skin look better.
- Cool lighting brings out the colors in clothing.
- The location of the light source should not create harsh, uneven shadows.
- Lighting around the mirrors in the dressing room is also a good way to evenly illuminate the body.

Conclusion

We have presented you with our suggested marketing approaches, online media platforms, and in-store merchandising with the objective of attracting and retaining current and new customers within your desired demographic, females ages 25-45. We have recommended the following improvements:

Online Advertising and Selling

- Offering online customers with age appropriate fashion advice
- Cross selling by presenting multiple items at one time
- Pursuing a more aggressive e-mail advertising campaign

Organization of the Physical Store

- Altering the layout of the store so that it is easier to navigate
- Styling mannequins with complete, fashionable merchandise and placing in strategic locations
- Utilizing wall and floor space to better organize apparels by age category, brand, and color

Atmosphere within the Physical Store

- Displaying photos of models wearing trendy outfits throughout the store
- Improving the lighting in the store to improve customers' moods and perceptions

After implementing our recommendations, we believe our strategies and recommendations will accomplish your desired outcomes.