**Assessing Big Drip as an Apparel Brand**

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 **Prepared for:**

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**Presented by:**

**Big Drip Apparel (Ltd.)**

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**Executive Summary**

The ultimate goal in this report is to support the idea that the apparel industry, particularly the high priced fitness category, can be affordable and eco-friendly simultaneously. The report as follows has been written for, Grace Kim, Capilano University communications professor and South Korean ambassador. In this report we provide details on the state of fitness apparel price points and why the industries firms can reduce their current MSRPs to a more consumer friendly class rather than the current luxury bracket they reside in.

As seen in today's market, current leaders such as: GymShark, Lululemon, Adidas, etc. all provide high quality activewear at a high cost. We have found that injecting a firm into the market which produces high quality, eco-friendly, up to date activewear would not only disrupt the market share, providing consumers a new go-to brand, but present a steadfast new trend for the industry going forward. As seen in “*Products and Competition Stretch Market for ‘Athleisure’ Clothing”* by Hiroku Tabuchi, the industry has many established clothing firms entering the fitness market, however, price points have all remained similar with a clear goal: profit. With any startup building a loyal consumer baseline would be slow and costly due to lack of a unique product, however, Big Drip provides the best of both worlds, quality products paired with brand recognition at an optimal price point accessing market segments previously ignored.

As a new leader in the fitness apparel industry, Big Drip (Ltd.), sets an example for others that profitability comes as the number two priority behind developing a product that sets itself apart from others achieving consumer wants, quality, eco-friendly, affordable. Profitability will be achieved as the product will speak for itself once in the hands of buyers. We at Big Drip (Ltd.) believe by following these fundamental steps we can achieve our goals. Firstly, production costs and concerns, as explained in “*The Costs of Starting a Fashion Brand: Production”* by Arbi Li, can be best handled by finding a factory that fits your firms wants and needs, not just an agreeable price point. Then, distribution can be handled initially on a web based store to gain recognition as most firms are gaining sales in this area while losing in-store sales. Lastly, variance in product while retaining quality will set the brand apart from the competition.

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**Introduction**

Big Drip (Ltd.) a fitness apparel company that strives to make affordable, high quality products for a wide range of customers. With issues such as climate change and the consumer habits that come with it, Big Drip apparel takes a bold approach to being eco-friendly and sustainable. Big Drip apparel is a new and exciting partnership started by entrepreneurs: Aidan Kellett, Xavier Norris, Clarke Saunders, Armin Safarpour, and Marshall Hogan ; All with education from the Capilano Business Administration program. The company was founded in October of 2019 in North Vancouver, British Columbia, where it currently operates out of.

Our goal at Big Drip is to provide affordable alternatives to the bigger names in the sports apparel industry, without sacrificing the aspects that matter most to the consumer, such as the style, quality and comfort. Our motivation to found Big Drip apparel was due to the harsh markups that come with buying from the bigger brands. As university students, our founders struggled to keep up with recent trends and decided to take action. We hope to provide to consumers the quality sportswear at a price the big corporations can’t compete with.

This report will aim to show the value of Big Drip to potential investors and carriers of our products, as well as demonstrate our plans to break into the growing activewear market. We will also show our profitability and a stable growth plan in order to attract potential clients. We aim to attract clients to our online store, which is our main form of selling. The general demographic that we are targeting is young, active people who are environmentally savvy. We create our products to fit everybody, with a large variety of sizing options.

**Mission Statement**

Big Drip’s mission is to provide customers with premium quality apparel that is eco-friendly and sustainable while being at a lower price than our competitors.

**Values and Beliefs**

At Big Drip, we want to provide the best experience for our customers while being affordable and stylish. All our clothing is made from sustainable fabrics and eco-friendly packaging while ensuring comfort. This shows that we hold high standards and that customers are aware of what kind of products they are buying and what it is made of. As a company we aim to provide exceptional customer service, assure a safe and fair work environment for our employees, and to deliver our promises.

We believe in order to ensure success for our company, the number one priority is to uphold integrity and honesty to our customers. It is the key to creating long term relationships with our customers so they continue to buy again and spread the word to others due to the trust they have built with our company and the experience they had with us.

**Recommendations**

For Big Drip to penetrate the athletic wear industry in both domestic and foreign markets, Big Drip needs to value our product and it’s uniqueness over all else. By focusing on our eco-friedly and sleek design (n/a, 2019), we can always assure that we put out our best quality products at all times. When company’s focus too much on monetary gain, their values can often slip, resulting in a greedy company which in turn, begins to sway from their mission statement. Also, in 2019, social media plays an enormous role in promoting startup companies and exposing them to potential customers across the globe. With emphasis on Instagram, recruiting brand ambassadors with a large following online can also be a great marketing strategy as customers tend to trust or gravitate towards products their role models support.

**Findings**

Currently, the global activewear market size is expected to reach $567 Billion by 2024, this is a 6.8% industry growth from where the market is currently at today. (Smith, 2018) We atBig Drip believe this growth is enough to easily penetrate the industry with our innovative and stylish apparel. If Big Drip were to penetrate only 1% of the projected 2024 market, Big Drip would already have gross profits of $5.6 B. Following the in the routes of one of our main competitors Lulemon, Big Drip will not only make fitness apparel, but the most stylish, high quality, clothes the fitness apparel market has ever seen.(Sherman, 2006)

To correctly price our product, we must look at the costs it takes to produce and then base our margins off that number; since Big Drips mission is to lower MSRP for the customer. The average chinese factory worker makes about 13$ a day, and the cost of fabric is an estimate of 20$ per pair, we can estimate that it would cost around 22$ to manufacture our products, depending on what the item is. (Harwell, 2017) Because we are a decently new company, penetrating the industry is more important to us than our profits. Let's take our leggings for example; if we produce leggings at 22$/unit and price them at around 50$/unit, our leggings would be half the price of most our competitors and similar quality. For these reasons we believe we can sell many units. If Big Drip could sell 25,000 pairs of leggings a year, that alone would make our revenue enough to pay all members fairly. We understand that this number is nowhere near impossible since one of our main competitors, lululemon, sells approximately 10 million units of leggings per year. (Neate, R. 2016)

To best sell our product, a well thought out online platform would be most beneficial. The average retailer has around a 2x price markup. For big drip, these markups would either hike our product prices up which is going fully against our business model, or slashing any of our profits which are already low. “Cutting out the middleman” between Big drip and consumers will let us protect our businesses picture, while keeping all of our profits. This type of business model has proved to work with companies like MVMT watches and accessories.

**Methodology**

At Big Drip, we have decided to take an environmentally friendly approach to creating a sleek athleticwear brand. As many of our investors include young, forward-thinking individuals, we feel there is a lack of athletic brands that have long-term sustainability as a key influence in their business practices. We have gone in such a direction with our products that we have ensured the materials used are not only of the highest quality, but are sustainable and clean.

We have conducted research on how we can attain the highest market share, while sticking to our values. Other athletic apparel brands, such as Gym Shark, has doubled in market share three years in a row, upon entering the market. Because our products will have more sustainable materials, with a cheaper price tag, we are confident we will be able to grow at a rate faster than any athletic wear startup in recent memory.

**Conclusion**

To summarize the report, we at Big Drip Worldwide have presented a business plan that demonstrates an affordable, yet trendy and luxurious approach to activewear in a market that mainly caters to those with a higher income. Our company, Big Drip has many methods for maintaining our business plan (online shopping, no middleman, etc.) that will remain sustainable throughout the foreseeable future. We hope to be a trailblazer with this approach and push other activewear companies to follow us and become more eco-friendly and sustainable, without sacrificing quality, style and performance.

**Personnel File**

Clarke Saunders - Junior Partner

Marshall Hogan - TOPBOY

Xavier Norris -

Armin Safarpour -

Aidan Kellett - CFO

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(Causation of price points in industry)

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(Firms entering industry causing market stretch with no mention of unique product)

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**Big Drip (Ltd.)**

**Peer Evaluation**

1.Participation in planning, writing, and research.

**Clarke Marshall Xavier Armin Aidan**

2.Willingness to discuss and share ideas.

**Clarke Marshall Xavier Armin Aidan**

3.Cooperative of others and have a supportive attitude.

**Clarke Marshall Xavier Armin Aidan**

**Self-Evaluation**

1.Participation in planning, writing, and research. \_\_\_\_\_

2.Willingness to discuss and share ideas. \_\_\_\_\_

3.Cooperative of others and have a supportive attitude. \_\_\_\_\_

**What did we learn?**