

I. Executive Summary

A. Business Concept

Bags and Belts Co., B&B for short is proudly a first mover of a new and unique product that will surely contribute changes in the trend of the fashion industry. This product reflects the name of the company itself which offers not so ordinary bags and belts. The two products are made to be a function of one another where the strap of the bag can also served as belt. The business shows that trend in fashion industry can evolve into not only sophisticated styles but also in purpose and function. The product can also be a collection of two items into one product which has a lower total cost compared to the collection of bags and belts separately.

The marketers behind B&B Co. are not only striving for making products to satisfy customers but also in developing innovative accessories specifically bags and belts in a world of fashion. Another is to be socially responsible with marketing efforts in gaining profit. The raw materials used in bag straps will also be the ones for the belts so the production for making belts will be greatly decreased. By this, resources which are the inputs will be lessened but the outputs or the products will be efficiently used because of its double purposes.

B&B Co. products will not only let you experience an extraordinary fashion and sophistication but also the feel of being a proud Filipina patronizing and lifting the pride of the Philippine made products. The company also believes that the product is not only locally competitive but also globally so the company will also introduce the product worldwide with the help of networking sites and websites.

B. Key Success Factors

B&B Co. itself is one of the key success factors in the company. It shall ensure that everything from the suppliers, production, key personnel into customer service will go smoothly and will establish not only a good name of the company but a good relationship with valued customers. Good leadership serves as the starting line and continues with teamwork and finishes to success. Communication from inside of the company, to other organizations and to customers is also a key which maintains the company in the circulation of the industry.

Another is the product that we are offering. Since it is a first mover strategy, the existence of the unexpected kind of product shall penetrate the market fast. Market penetration will be the stepping stone for the progress of success of the company. Upon reaching the stage, strategies like membership offerings will be done to maintain and gain more customers. Optimum customer service support will also be provided in to show the gratitude to valued customers and to increase customer satisfaction at the same time. Extensive product distribution is also one as the company pursues to sell it worldwide. The relatively competitive pricing is also a key establishing its brand position into the market. Also, the company will only focus on the development on product line of bags and belts thus upcoming new products will be a fruit of comprehensive study and improvisation of the team resulting on high quality, fashionable and stylish products that will increase sales.

C. Financial Analysis

The company's current position is great. The company is able to meet customer's satisfaction and expectations. It is proven by the continuous growth of consumers and the positive cash flow in the company. The company sees to it that its target vision is translated into goals that should be done in time. Regarding stability, the company strives to get well with the changes the world brings. The fast advancement of technology is a big challenge, but still the company is able to go through it by budgeting properly. The company is making a profit every year making it very viable. Every year, the consistency of the company's earnings continues to be constant. The profit continues to be stable. The company is able to go on month after month because of enough earnings to buy and pay for expenses needed every month. For the investment in the future growth of the company, the management always seeks to keep profits even with the working capital so that it can save money, making it profitable. The business can go to more innovations.

II. Situation Analysis

A. Mission: Our mission is to provide customers innovative bags and belts that would set trends in the industry. We aim to offer our proficiency for the elegance and manageability of our products for the desires of our clients.

Vision: Our Company targets to be the top trend-conscious producer of great products in the bags and accessories industry in the Philippines. We envision a distinctive and competitive company that would maintain its passion for the improvement through the years.

B. Company Background

For the unification of the passion of skilled people in the bags and accessories industry, the Bags and Belts Co. or B&B Co. was formed. The B&B Co. is a company that aims to pursue excellence in its field. We practice having initiatives for proper time sharing and to bring excellent products to our customers. Our commitment to our job assures our clients unique and high quality products and comfortable services. In line with our mission and vision, we always look for continuous improvement.

Since people are very style-conscious, our distinctiveness will always be a factor to set new trends in the industry. We make sure to prepare for the future and the changes that the world is taking. Treating each and every competitor in the same level makes us feel unpressured but not weak. We will endlessly make a mark to serve as inspiration to everyone.

ESTIMATED CAPITAL

EQUIPMENT

EQUIPMENT	QUANTITY	RATE	AMOUNT
Leather stitching machines	10	Php80,000	Php800,000
Sewing machines	10	Php10,000	Php100,000
Electrification	1	Php100,000	Php100,000
Packaging Machine	10	Php5,000	Php50,000
TOTAL			Php1,050,000

RAW MATERIALS (per month)

MATERIALS	QUANTITY	RATE	AMOUNT
Leather	600 meters	Php1,000/meter	Php600,000
Zipper	500 bundles	Php200/bundle	Php100,000
Buckles	800 pieces	Php500/piece	Php400,000
Cloth	600 meters	Php100/meter	Php60,000
TOTAL			Php1,160,000

SALARIES AND WAGES (per month)

WORKERS	NUMBER	SALARY	AMOUNT
Manager	1	Php100,000	Php100,000

Vice Manager	1	Php60,000	Php60,000
Employees	35	Php8,000	Php280,000
TOTAL			Php440,000

OTHER EXPENSES (per month)

UTILITY	AMOUNT
Transportation Expense	Php100,000
Advertisement Expense	Php100,000,000
Rent Expense	Php500,000
Miscellaneous Expense	Php1,000,000
TOTAL	Php101,600,000

UTILITY EXPENSE (per month)

UTILITY	AMOUNT
Power	Php100,000
Water	Php20,000
TOTAL	Php120,000

TOTAL STARTING CAPITAL

UTILITY	AMOUNT
Raw Materials	Php1,160,000
Salaries and Wages	Php440,000
Utility Expense	Php120,000
Other Expenses	Php101,600,000
Equipments	Php1,050,000
TOTAL	Php104,370,000

The company included the breakdown of the raw materials since it is part of the expenses that the company is paying to the manufacturer.

C. Competitive Analysis

C1. Industry Overview

Bags and Accessories Industry: Industry Belts and Bags is a unisex gear line that is intended for Man and women. This line is designed to look amazing while assisting you on your job. Our crafts people take much pride in their work and strive to make each piece with the best of quality. In this industry, we offer a unique product that can fits a woman's satisfaction because we provide a high quality and unique strap, the strap can transform into belt, and vice versa.

C2. Primary Competitors (Bags):

1. Armani
2. Louis Vuitton
3. Chanel

C3. SWOT Analysis

Strengths <ul style="list-style-type: none">• High quality and multi-purpose product.• Changes in the trend is always occurring thus new products could be bought.• Low cost of production and manufacturing.	Weaknesses <ul style="list-style-type: none">• Lack of promotion.• Has no established name• Do not offer customization.
Opportunities <ul style="list-style-type: none">• Women are fond of bags and belts• Bags and belts are not only considered as accessories but a necessity.• People seek for innovative products.	Threats <ul style="list-style-type: none">• There is big competition due to different businesses engaging in the same field.• There is only a small rate of consumers/market.• Different people have different preferences due to different factors.

The strengths of the product are it is high quality and has multi purpose use. Another is the change in trend is always occurring which gives way to the new products that could be bought. Last is it requires low cost of production and manufacturing since the strap of the bag also serves as another product which is belt.

The weaknesses of the product are lack of promotion since it is new in the market, has no established name and the company do not offer bag, bas strap/belt customization to maintain high quality bags that are made with best materials and premium designs.

The opportunities seen by the company to enter the industry are the fact that women are fond of bags and belts, they also consider bags and belts not only as accessories but a necessity. Another is people seek for innovative products so the company come up with unique product.

The threats are the competitors engaged in the same field or industry especially those with established name, there is also only limited target market and the different preferences of the consumers.

D. Market Analysis

D1.) Market Segment

Segmenting the market is a key to determine and divide the characteristics of potential market. It is important because this will classify the similarities of the customers and identify the target market. Segmenting consumer market is divided into: Geographic, Demographic, Psychographic and Behavioral.

D1.A. Geographic Segmentation

This part segments customers based on their location. As a first mover, the company will focus first on introducing the product locally. Mainly, products are offered in Luzon region, having Metro Manila as the city where the main branch and office is located. Other branches will be built in key cities in Manila like Makati, Pasay, Quezon City and others since customers which are mainly women (businesswomen, students, office workers, housewives) are mostly there. The products will be offered also in other parts of Luzon like Cavite, Laguna, Rizal, etc. Promising as the product is, dominating the global market might also be considered by online selling.

D1.B. Demographic Segmentation

Gender	Female, GLBT
Age	Generation X and Y, Baby Boomers
Family Cycle	Young, Single, Married with children, Married without children, others
Occupation	Business women, Office workers, Professionals, Students, Housewives
Income	Ranging from Php 5,000 – 15,000

In terms of gender, marketers segmented it by Female and GLBT (Gay, Lesbian, Bisexual, and Transgender) since our products fall under accessories and designed for them.

In terms of age, marketers segmented it by Generation X which mostly career women are earning money; Generation Y or the Millennial which is the one of the fast-growing market today; Baby Boomers which are the lucrative segment having the good income levels.

In terms of Family Cycle, marketers segmented it by Young, Single, Married with children and without children which includes almost all possible purchasers.

In terms of occupation, marketers segmented it by Business women, office workers, professionals, students and housewives and allowing only those who are financially stable or supported to purchase the product.

Lastly, in terms of income, marketers segmented it from Php 5,000-15,000 which shows that the product can be purchased in relatively competitive prices.

D1.C. Psychographic Segmentation

Based on VALS (Values and Lifestyles) of the customers, marketers targeted Strivers even though they are more likely men than women since they are the largest segment; Devouts since they are more likely female; Altruists who emphasize social issues and will possibly appreciate the product and also high percentage of them is women; Fun seekers who focus on personal enjoyment and pleasurable experience since fashionistas and accessories collectors are examples and Creatives, though it is the smallest segment, the product is a fruit of innovation so the possibility of them patronizing the product is high.

D1.D. Behavioral Segmentation

Benefits	Multi-purpose, High quality, Affordable, Unique, Fashionable
User Status	Non-user, Potential user, First time user, Regular user
Usage Rate	Light user, Medium user, Heavy user
Readiness Stage	Unaware, Aware, Informed, Interested, Desirous, Intending to buy

In terms of Benefits, marketers segmented it as what the customers is seeking for the product namely multi-purpose use, high quality, affordable, unique and fashionable.

In terms of User status, marketers segmented the customers by non-user, potential user, first time user and regular user of the product.

In terms of Usage Rate, marketers segmented the customers light user, medium user and heavy user.

Lastly, in terms of Readiness stage, marketers segmented the customers by unaware, aware, informed, interested and intending to buy the product.

D2. Target Market

From the market segmentation, the specified market who the company is directing the marketing efforts to offer the product which is the target audience is identified. Based on the market segment, the target market is mainly females from Baby Boomers to Generation Y either employed or unemployed (housewives) as long as capable of purchasing the product with price ranges from Php 5,000 to Php 15,000.

D3. Market Positioning

A. Specific Product Attributes: "The Supreme versatility of Luxury"

This explains how we give our valued customers the luxury bags and eye catching belts they always wanted and we have it in just one product. The supreme versatility of our luxury bags offers our customers the same quality belts that will surely satisfy them.

B. Benefits offered: "Changeable bag strap that can be a belt and vice versa!"

The highlight of the product is its double purpose benefit where the bag strap can be changed and also it can be used as a belt. The company are offering not just simply unique bags and straps/belts but they are also fashionable, trendy, high quality and at in affordable but competitive prices.

C. Usage Occasion: "Whenever and wherever"

Women love to use bags and wear belts not only because it's a necessity but it adds fashion sense to a woman making her elegant which boosts her self-esteem. The company offer bags and belts in whenever occasions like informal, office, formal and leisure activities in wherever place it is.

D4. Customer Characteristics

A. Cultural

As the broadest environmental determinant of customer characteristics, the researchers have studied the preferences of the local market towards accessories specifically bags and belts. Even though both are already considered as the necessity, most women still allot little budget on these stuffs. Combining these two products into one will surely caught attention to the local market since Filipinos are known in seeking multi benefit products with affordable price.

B. Social

Women are known to be a member of various groups maintaining a good social life. One of their distinct behaviors is trying to buy and try a new product then share its results to others usually in a group where they encourage or discourage them to buy the particular product. This factor helps the company to increase brand awareness and to gain potential customers.

C. Personal

This determinant starts with the need of a person towards a product/service. Marketers modified the bags into unique and more beneficial product which promotes changeable straps that can be also a belt will change consumer attitude in buying established and common bags and belts.

D5. Customer Buying Decision

Before purchasing a product, a customer also perform process before the actual act of purchase. Among the three classification of problem-solving processes, the product falls into Limited-problem solving. It means that consumer has previously set evaluative criteria for a particular kind of purchase but then encounters a new, unknown brand. To influence this consumer decision meaning in order to encourage them to try and purchase the product which is a new and unknown brand, the company will reinforce and motivate them to buy the product by the promotion strategies to solve the problem.

III. MARKETING MIX

A. Product

B&B

- **“The Supreme versatility of Luxury.”**
- The tagline explains how they give valued customers the luxury bags and eye catching belt straps the always wanted and the company has it in just one unique product. The supreme versatility of their luxury bags offers the customers the same quality belts that will surely satisfy them.
- The product will be considered as one of the unique bags of all time, and if you're asking the company why? Very simple. Because it's not like the other bags, not just an ordinary bag. Their strap has its own purpose also. It has a removable strap and that straps can be turned also into a belt. With that, the company features the straps as the main part of the product. Their company will going to sell different types, colors and designs of the belt straps. That makes their product unique. How about in terms of prices? This kind of bag is very affordable and of course unique.

BRAND LOGO



PACKAGING



PRODUCT





STRAPS



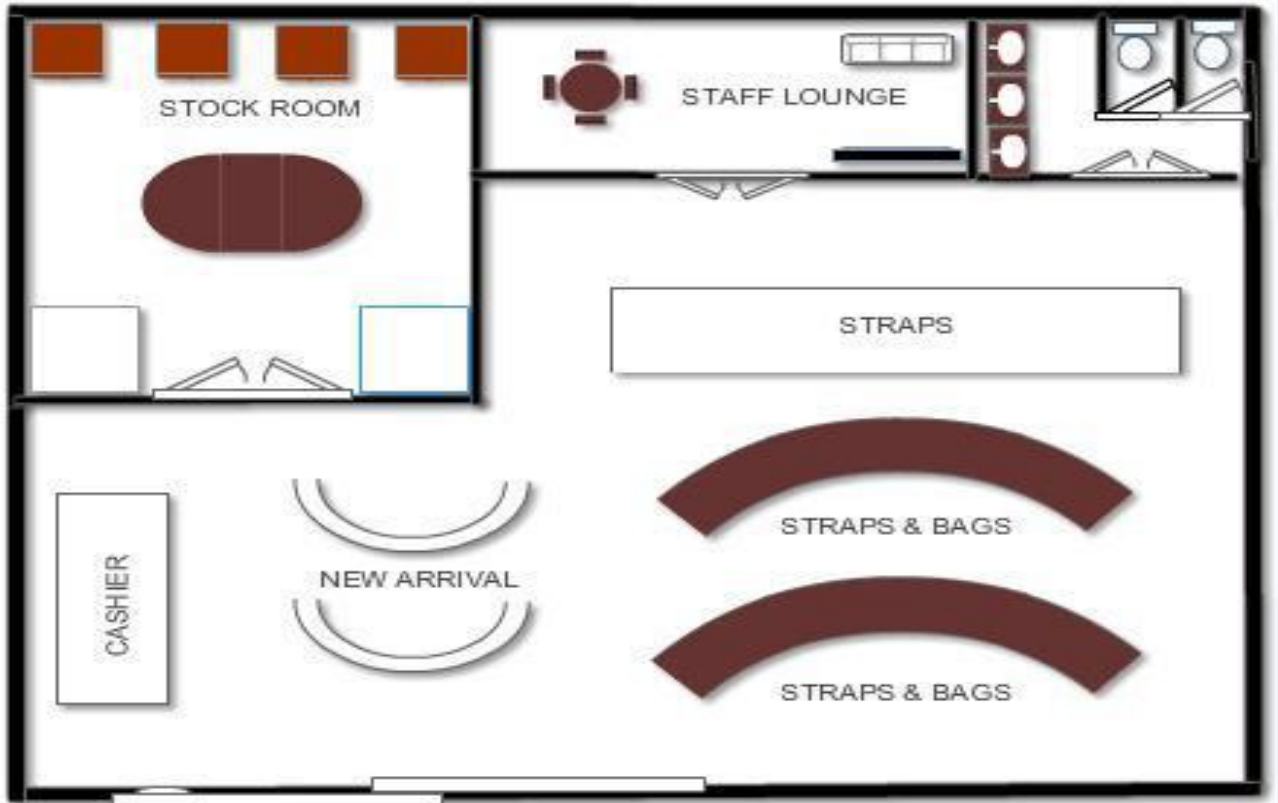
B. Price

The company will going to make sure that their products and services are adequately priced. They are establishing a fair and justifiable price for the customers. They are using Market plus pricing strategy, which involves the use of high price relative to competitive offerings. This kind of pricing strategy approaches consumers since they want to have a fair and affordable price yet they get a high quality service. Compared to other competitors, their pricing strategy focuses on attracting customers across a wide range and accomplishing the overall organizational objectives.

C. Place

The main branch of B&B store will be located at SM Megamall. There will be also other stores in SM Dasmariñas, SM San Pablo, Mall of Asia and others.





D. Promotion

One of the main components of their promotion is through communication with the clients and of course, the customers. Also, to dominate the internet and reference sites by filling the search terms with our company analysis and marketing analysis to attract potential customers. We will have special promotional events by promoting our products using coupons, online advertising, co-marketing, TVC and advertising. Basically, they will give them real service, instead of just sales.

Aside from this, they are going to offer them membership card that consumers who avail it will going to have a 10% discount on every bags that they will purchase. One more is by having a “avail 2 bags and bring home free 2 straps.” This is a promo on the first three days from which the business opened.

IV. Operations

A. Key Personnel

- Operations manager. This individual is the leader for the operation and has overall responsibility for the financial success of the business. The operations manager handles external relations with lenders, community leaders and vendors. Frequently, this individual also is in charge of either production or marketing for the business. This person will set in motion the vision, strategic plan and goals for the business.
- Quality control, safety, environmental manager. This is a key function in any industry and, in particular, one that deals in food products. In a small business, one person generally will be responsible for handling OSHA compliance, EPA compliance, monitoring air and water quality, product quality, training of employees in each of these areas and filing all necessary monthly, quarterly and yearly reports.
- Accountant, bookkeeper, controller. This is another key function. The individual filling this role has the responsibility for monthly income statements and balance sheets, collection of receivables, payroll and managing the cash. The key aspect here is managing the cash.
- Office manager. The person in this slot also may serve as human resource director, purchasing agent and “traffic cop” with salespeople and vendors. This employee, in general, will oversee everything not involved in production and may also handle some marketing duties.
- Receptionist. Sometimes called the “front-line” person, the receptionist handles phone calls, greets visitors, handles the mail, does the billing and performs many other tasks as required by the office manager.

- Foreperson, supervisor, lead person. This individual is the second-in-command in the shop and will oversee production in the absence of the owner, general manager or president. This position usually will have an overall understanding of all aspects of the business and also will handle working with new employees, including setting up training and schedules.
- Marketing manager. If finances permit, a marketing manager may be on staff to handle all aspects related to promoting and selling the product. The top management person often handles this duty in a small business.
- Purchasing manager. Duties of this position may be filled by either or both the general manager/top management person and the office manager. The supervisor or lead person often also is involved.
- Shipping and receiving person or manager. This may not be a full-time position in a start-up business. Someone, however, needs to be assigned the task of packaging, ordering transportation for delivery, receiving incoming material and warehousing of finished goods and stock. Several people may be involved in this, including the office manager, foreperson or accounting clerk.
- Professional staff. Instrumental in each company, new or existing, are the firm's professional staff resources. These include an accountant (CPA), a lawyer, a computer consultant and, possibly, a local doctor or access to a medical facility. Although perhaps not outlined as full-time staff positions in your organization, these roles should be considered a part of the management team and discussed in the development of the business plan.

B. Organizational Structure

