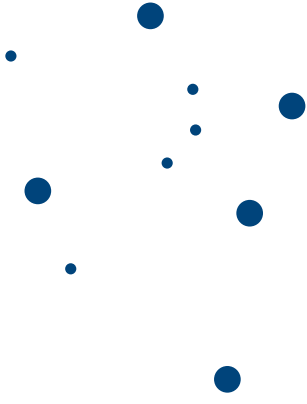


Southern Cross Design Co.



Business Plan

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Published: Sad Bird Design

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Southern Cross Design Co.

06 Southern Cross Design Company is a designer, printer, and retailer of apparel. This apparel consists mostly of t-shirts, but will also include hooded sweatshirts and light jackets. We will design premium graphic t-shirts and sell them online. In addition to these online sales we will offer graphic design and printing services to people and organizations looking to create custom t-shirts and sell them. Most sales and operations will come from the website, www.southerncross.com, while some operations will come from our office location in downtown St. Louis, where we will meet and work with our larger clients.

Mission Statement

Southern Cross Design Company provides clothing and accessories for the unique individual with graphic design expertise and screen-printing resources for emerging organizations looking to increase awareness about their organization. It looks to support St. Louis art, music, and culture by providing a brand with pride and recognition for those who seek to lead the crowd. 07

Business Objectives

- 08
- Sales: Our sales objective for the first year was derived from our strongest direct competitor: Urban Outfitters. Last year they reached sales of \$1,507,724,000 worldwide (Lexis Nexis, Urban Outfitters). Being considerably smaller, and beginning our company, we have adjusted this by taking a percentage as we only expect to own a limited amount of the market. In taking .4% of Urban Outfitters sales we expect first year sales to be \$600,000. After this we would like to achieve a compounded growth of 7% for the next three years.
 - Market Share: Because the apparel industry is very fragmented, and of our selective image, we do not plan to own a dominant market share. We expect to have about 1% of the premium t-shirt market after three years. We also would like to be the first St. Louis – specific apparel designer, creating our own submarket.
 - Communications: Our communications objective is to make Southern Cross Design Company known to 30% of the 20-30 year olds in the St. Louis city area.

- 09
- Product: We will make 30 different products for sale online by the end of the first year. We will work with at least 10 different organizations as clients to concept, design, and create their promotional clothing or accessories by the end of the first year.
 - Price: We will charge a premium price for our products. This makes our pricing objective to retain a high percentage of customers. By the end of the first year we would like 50% of our customers to make multiple purchases.
 - Place: We will establish an office in downtown St. Louis after the first two years where we will work and meet with clients who want to produce custom apparel to supplement our online presence.
 - Promotion: Our promotions will be subtle, reaching 30% of St. Louis ‘hipsters’, while refraining from traditional mass media exposure. Instead Southern Cross will use it’s own reputation and word of mouth to build its brand equity.

Situation Analysis

Product Category Opportunity and Threats

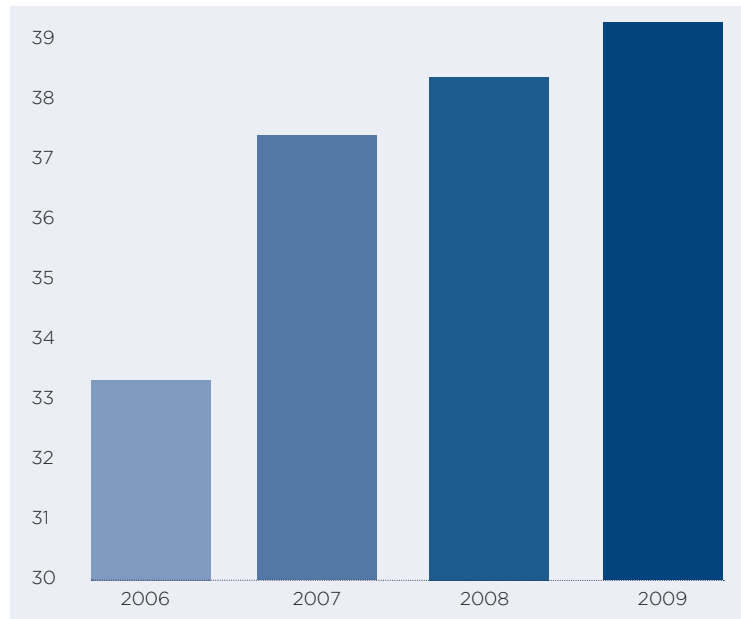
“Those willing to ride out the short term downturn will likely profit in the long run, as the industry is expected to recover in the coming year”

Product Category

Southern Cross Design Co. looks to enter an already developed industry to create and own a specific niche. From this position we hope to hold a unique brand from which we can expand and enjoy high sales. Unlike national brands we will offer premium t-shirts to St. Louis specific markets, catering to local interests and hometown pride. In planning how to enter the retail apparel and screen-printing industry we have found information to guide us. This information includes industry value and annual sales, growth rates, strength of the competition and market share, relevant trends, and environmental events relevant to the growth potential in this category. We have found that these statistics support creating Southern Cross Design Co.

The apparel industry is well established, and has a wide range of players from large to small. Because of the necessity for clothing there is always some form of demand. Annual sales figures from the last three years show how strong and lucrative the industry is. In 2008 the entire apparel industry recorded \$38,500 million in sales. See Figure 1. This was an increase from \$37,584 million in 2007, and \$33,282 million in 2006. During these three years there has been an average operating margin of 13.2% (12). According to the same source, Sales are supposed to climb further to \$39,375 million in 2009. Figures this high show that the industry is mature and wide spread. With revenues this favorable, Southern Cross Design Co. expects to find a segment of customers to cater towards.

Figure 1
Annual Sales
(Billions)



In addition to the annual sales, it is important to look at the growth rate in the apparel industry. This has created a complicated picture for Southern Cross Design Company. With the recent economic downturn retail clothing has taken a hit. Some people consider new clothing to be a luxury and therefore reduce spending on those products to save money. How severe this hit has been and how that affects entering the market place has been debated. The compounded annual growth rate (CAGR) is expected to slow down in the next few years. In 2009 the growth rate of retail apparel in the United States is expected to drop to 1.9% after enjoying a growth rate

of 2.1% annually from 2003 to 2007 (1) See Figure 2. While this is an unfavorable drop it does show that the industry is still actually growing, but not as fast as before. This leaves room for some new entrants. Some experts within the industry have suggested that this may be a good time to enter and invest. Mathew Spencer, from Value Line, has suggested that those willing to ride out the short term downturn will likely profit in the long run, as the industry is expected to recover in the coming year (12). Because Southern Cross Design Co. will take time to establish its operations and customer base, we expect to take advantage of the recovery. Other growth trends prove to be favorable for Southern Cross Design Co.. Men's apparel in the United States is expected to grow steadily until 2012 at an annual rate of 2.9% (5). This is an advantage for us as we plan on targeting young male consumers.

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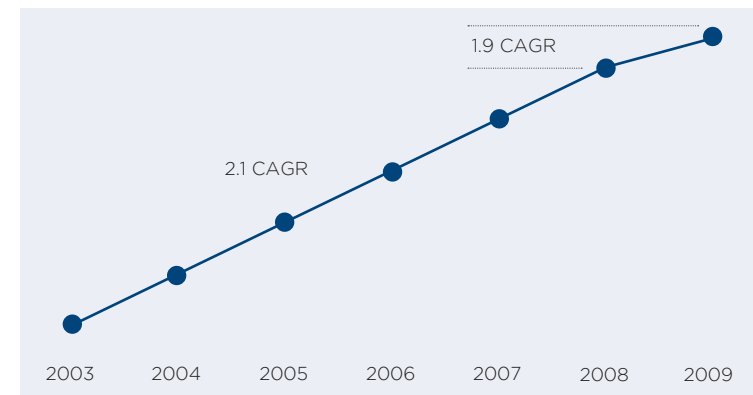


Figure 2
Industry Growth
Rate
(Percentage)

14 Competition within the clothing industry can be viewed on many levels. Globally there are large corporations that dominate international markets. In addition there are brands in the United States that hold large shares of the domestic industry. Finally, there is more direct competition, which holds a similar position as Southern Cross Design Company. In looking at the global apparel and textiles, we have found a few dominant players, and after those a highly competitive industry. The leader is Christian Dior, owning the highest share with 1.3% of the global market (3). While they have a variety of products, their main emphasis is fashion goods. Some of their main brands are Fendi and Louis Vuitton. The next global leader is the Nike with .9%, followed by Adidas with .4% (3). While these large organizations affect the worldwide industry, the companies that affect our market are the dominant players in the American market. The leaders of retail apparel in the United States are Levi Strauss, who sells in 55,000 retail locations. Next is Hanesbrand, followed by the VF Corporation (1).

The market leaders who I have described do not represent our most direct competition. Because of the high fashion, artistic, and premium nature of our product we expect Southern Cross Design Co. to compete directly with brands like J. Crew, the Gap, Urban Outfitters, Busted Tees, and Snorg Tees. These brands offer premium graphic t-shirts with various designs. The Gap is currently the leader in menswear in the United States and has the most customers who we plan on targeting (5). Busted Tees and Snorg Tees are relatively small, but successful, privately owned companies. These are our most direct competition in

reference to positioning. As Southern Cross Design Co. looks to enter the market it will take advantage of its tightened focus on a local St. Louis customer base over companies like Urban Outfitters. These t-shirt companies cater to individualism and uniqueness, and as Southern Cross Design Co. offers a more specific image it will succeed in a highly segmented industry.

There are several current trends that will affect our business. The first trend that Southern Cross Design Company plans to take advantage of is increased social and environmental awareness. This movement has gained popularity and is often referred to as the 'green' movement. We plan on buying all of our t-shirts from American Apparel, who manufactures their clothes in the United States sweatshop free and in safe environmental conditions. American Apparel sells as a wholesaler to smaller companies, like Southern Cross. We plan on printing our designs on American Apparel t-shirts and hoodies. Consumers will likely be willing to pay a more premium price for a product made in a more acceptable environment.

Other trends will present challenges to Southern Cross Design Co.. One is an overall decrease in consumer spending (13). Consumers have been spending less money on luxury items in the economic downturn, and as a result more premium products have suffered. In order to address this we plan on using our image and social awareness as a main selling point. We hope that consumers will spend more money if it is for a product that was not made in a sweatshop. This trend has also made discounting more popular with retailers (13). To meet this

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16 trend we have considered offering bulk discounts, charging less for two or three products. With this strategy we would not merely be lowering our prices, but still enticing sales.

Forces outside of the industry often affect markets. This may include broad economic and social changes, or more specific legal conditions. As stated before, the global recession has affected the apparel industry and a recovery is not expected for almost a year (13). We hope to enter the industry at a time where there is less competition and fewer new entrants while growing as the industry recovers. Another outside force is the age of the population in the United States. This broad change will affect the future of Southern Cross Design Co. as we expect to grow. Second only to the baby-boomers in population is the generation-y group in the United States (9). This is composed of people ages 20-34. This is also the group whom we plan to market to. The entire U.S. population will increase at an annual rate of .9%, which is encouraging stable growth for the future of our company (1)

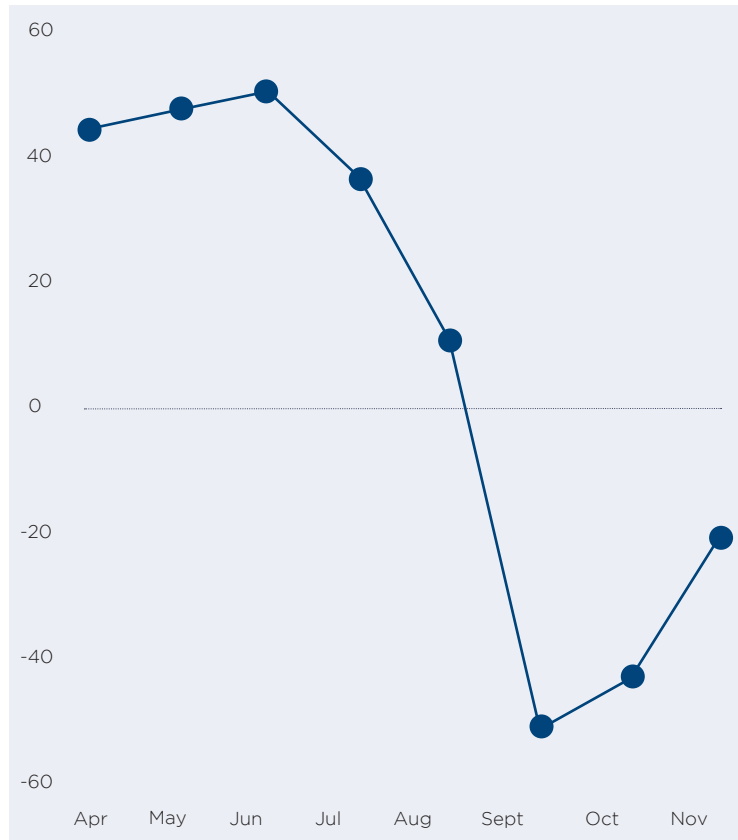
Opportunity and Threats

There will be several threats that Southern Cross Design Company will face when entering the market. The biggest concerns of these include: intense competition in the market place, lower overall consumer confidence, and the effects of the sub prime mortgage crisis. These external forces will impact the entire apparel industry and direct how we run our business.

Perhaps the most direct threat facing Southern Cross Design Company is the intense competition in the retail apparel. The retail industry has a wide range of competitors(2). Because entry into the apparel market is relatively easy a large number of firms fight for sales, many of them small, with specific niches. As stated earlier, large producers like Nike represent a different competition than smaller ones like Urban Outfitters. While more direct competition like Busted Tees may not be as large or powerful as Nike, they are competing for our specific segments. These are the companies who we are more concerned with. One recent trend of competition in the market has been companies offering designer clothing for low prices. The largest of these firms is Target (2). Target has opened 26 new stores in the last year and sells graphic, high quality t-shirts for relatively low prices. As a seller of premium apparel we consider this to be large threat.

Another threat facing Southern Cross Design Co. is a recent drop in consumer confidence. The Consumer Confidence Index is a tool used by retailers, manufacturers and banks to help in decision-making. It measures the amount of confidence consumers have in the economy and as a result how that affects their buying habits. In 2008 consumer confidence fell as a result of weak labor markets and an increase in food prices to an all time low of -50 (2) To put this into perspective consumer confidence was at 51 in June of 2008 before plummeting (see figure 3). This factor greatly affects any kind of purchasing with an adverse effect on sales.

Figure 3
2008
Consumer
Confidence
(Index Points)



Finally, the sub prime crisis is influencing consumers. Linked to the Consumer Confidence index is the recent sub-prime crisis. With the sub-prime crisis overall spending has fallen as people have been more careful with their money (4). As housing prices have dropped there have been foreclosures and now borrowers are putting more discretionary funding towards paying off debt (4). This will affect spending on luxuries such as apparel goods.

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There are many positive signs in entering the apparel market. Southern Cross Design Co. expects to take advantage of several opportunities as it steps into the marketplace. These include: increasing online shopping, a growing U.S. apparel market, and the growth of socially-conscience consumer spending.

20 Perhaps one of the most important trends for any retailer is an increase in online shopping. In 2007 online sales in the U.S. alone totaled \$127.7 billion and grew to \$146 billion in 2008 (2). See Figure 4. Convenience has become important for buyers and the internet provides a fast, simple method of purchasing without leaving your home. Southern Cross Design Co., having a strong web presence, can expect to benefit from this trend. Online shopping is expected to keep growing, with a compound annual growth rate of 11.3% until 2012 (2).

In addition to online shopping, the apparel market in the U.S. is still growing. It saw booming growth, at 1.9% from 2002 to 2006 (4). As stated earlier, this growth is expected to slow down, but it will still be growing in the next few years. Currently the U.S. accounts for 34.6% of the world's apparel sales (4). We hope to exploit this strong of a market.

Finally, a great opportunity facing Southern Cross Design Company is the growth of the socially conscious movements. Consumers are buying more products that are produced and distributed in socially and environmentally safe conditions (6). We plan on using this to target our consumers, and provide our main selling points. All Southern Cross t-shirts and hooded sweat shirts will be bought from American Apparel wholesalers. These products are made sweatshop free in the United States. We hope that this will legitimize our upscale image and attract customers.

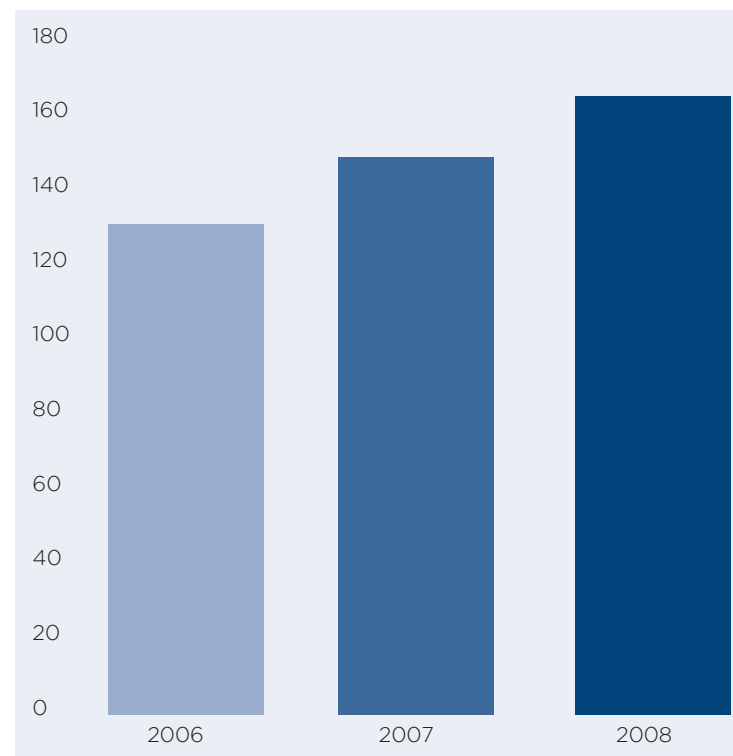


Figure 4

Online Shopping
(Billions)

Competitive Analysis

The Competition Urban Outfitters Busted Tees

“The retail apparel industry is highly segmented and characterized by a large number of competitive firms, with varying strengths and market shares.”

The Competition

We expect to face a wide range of competition. As stated earlier, large powerful companies are Nike, Hanes, and Christian Dior, while the smaller, more direct competition includes J. Crew, The Gap, Busted Tees, American Eagle, and Urban Outfitters. Some of these competitors are small private companies and do not provide market share and financial information. These companies represent similar images to Southern Cross and will compete with for the same customers. For the purposes of studying the competition we will look closely at American Eagle and Urban Outfitters.

23

American Eagle holds a relatively large market share, while still attempting to achieve a young hip image, as Southern Cross is going to do. Currently they hold 1.9% of the total market of discounted apparel in the U.S. (13). This is a substantially larger share than we expect to hold immediately, as the market is already very fragmented by many small companies. This customer base allows them to expand and create new products. American Eagle's target market consists of males and females between the ages of 15 and 25 (7). In this way American Eagle positions themselves as selling fashionable apparel for young people. This overlaps some of our target market and will influence our business. As a result of this specific group of consumers American Eagle has created a strategy to reach them. First they place their locations in malls (7). Malls have high traffic for people ages 15 to 25. They also tend to price lower than brands like J. Crew, and Urban Outfitters.

24 Another even more direct competitor to Southern Cross Design Company is Urban Outfitters. This is a manufacturer of men and women's apparel. Much of their sales are made online, but they do have a presence in brick-and-mortar retail locations. This is usually through franchise agreements. While they are more direct competition because of their very similar image, they are not as strong as American Eagle, representing less than 1% of the overall market (13). Urban Outfitters caters to the "metropolitan hipster" (8). This group includes people in their twenties, living in large urban areas, positioning their products as fashionable apparel for young people. As a result their strategy is to promote individuality and social awareness. Urban Outfitters also prints on American Apparel t-shirts and uses this as a selling point, much in the same way that Southern Cross Design Company will sell products.

In looking further at competition I have chosen two banner ads for Urban Outfitters and Busted Tees (Figures 5-8). Both are close competition for Southern Cross, and their image and strategies can be found in their corresponding advertisements.

Urban Outfitters

The first advertisement is for Urban Outfitters. (Figures 5) This particular ad shows Brooklyn in several different shots scattered throughout the page. All images on this display are spaced unevenly, giving it the feeling of a collage. There are also pictures of famous people and characters from Brooklyn, including Notorious B.I.G., Jay-Z, and the Jeffersons. These

images reveal the target market that Urban Outfitters is trying to reach. Brooklyn is considered the hipster capital of the world, and is the center of Urban Outfitters' biggest customers. It further announces the opening of a new store in Brooklyn and that 10% of the first week's sales will go to the Brooklyn Academy of Music. This donation connects the company to their audience and involves them in a local, non-corporate lifestyle. This same theme is present and more obvious in the Urban Outfitters ad below it (Figure 6). Just as Southern Cross will connect to the local music and art scene Urban Outfitters does it here.

Busted Tees

This ad is more straightforward than the first Urban Outfitters ad (Figure 7). It does not have any images, but rather only copy. The top has the name 'Busted Tees' written as if it is a voice bubble from a comic. If you visit their website, at bustedtees.com, you will see that this type is a consistent theme. Their t-shirts tend to be simple jokes, and the voice bubble reinforces that the t-shirt is a statement being made by the person wearing it. Underneath the headline, in smaller type, is "The joke's on you". Again, this refers to the comic nature of their products. The main copy of the ad is the middle, where "Semi-Annual Super Sale, 100 shirts for \$10 each" is written. This ad is simple, but the theme from the website, which all of Busted Tees sales come from, is present in its simplicity. This emphasizes their creative strategy of dry humor, found on all of their products. An ad showing a product with the same strategy is displayed in Figure 8.

Figure 5

Urban Outfitters internet ad



Figure 6

Urban Outfitters internet ad



Figure 7

Busted Tees internet ad



Figure 8

Busted Tees internet ad



Target Market Description

Demographic Characteristics Consumer Behavior Assumption

“It may be a challenge to reach these consumers from a marketing standpoint, because they may resist traditional forms of communication, however it will be profitable when we do.”

Demographic Characteristics

Southern Cross Design Company will serve the needs and wants of a very specific group of consumers. We hope to target a unique, but slowly growing segment of the fashion market. More specifically this will be ‘urban hipsters’. The term ‘hipster’ is hard to clearly define. Simply put, it is someone who is “a person in the know, a well-informed person, a follower of fads.” (10) This academic definition falls short of what a modern hipster truly is. Instead, we will further define a hipster as urban youth that are in to new fashion, music, and artistic trends, with a sense of irony. They tend to be trend leaders, innovators, and early adopters rather than followers. In using this criteria Southern Cross will be using lifestyle as the main basis of segmentation.


Looking at our main group of customers we break down these hipsters further. We will primarily target males, as they are the majority of the hipster subculture (11). Our products will still be sold to females, but the emphasis will be on men. These males tend to be Caucasian, single, college educated and between the ages of 20 and 30 (10) Most of our efforts will be on those living in urban areas, more specifically in St. Louis, such as downtown, the Central West End, and the Loop locations. These expanding city areas are where hipsters tend to live and socialize (11). It is popular for these people to inhabit developing areas as new clothing stores, art shops, and trendy bars pop up. Perhaps the most important aspect of Southern Cross’ target market will be their interests. This is how we plan to position ourselves. These young males will be music enthusiasts, even part of the underground subculture. Hipsters have a strong desire for

30 individuality. Although they do fit into a subculture of others like them, they like to feel that they are creating their own style and interests, often times this involves local music. This is why emphasizing St. Louis is important. St. Louis is not New York, or Chicago, it is not as commonly visited, and therefore gives our target market a sense of uniqueness, that the city in which they live is a well-kept secret. It may be a challenge to reach these consumers from a marketing standpoint, because they may resist traditional forms of communication, however it will be profitable when we do.

The description of our target market above assumes certain behavior patterns. Being part of the subculture that we would like to sell to influences purchase decisions. Our product is highly involved with ones image. This is the main selling point of our product: it satisfies the need to create your own personal style. Hipsters have this desire to have their own, unique fashion sense (10). Because organizations will be able to design their own shirts with Southern Cross, customers will feel the sense of owning a rare, local product. The main benefit our customers seek is closely linked to this need to own their own style; it is the sense of individuality. As stated above, metropolitan hipsters have a strong sense of individuality (10). This is often exercised through fashion, and Southern Cross Design Company provides the proper avenue. For these reasons we expect to have loyal customers. Our local and non-corporate image will be unique and hard to find elsewhere. If our customers believe in our socially aware products, and vested interest in St. Louis, they will be more likely to come back.

31 With the image of our product being socially conscious, we think that our customers will primarily use cognitive learning about Southern Cross. In order to be aware of American Apparel and supporting the local 'scene' our target market will actively seek information. While they will seek this information, it is still a low involvement product. A t-shirt ranging from \$20 to \$30 is not something consumers research extensively when buying, rather it is purchased somewhat impulsively. In making these decisions hipsters use newer information sources rather than traditional ones, which we will meet with our web presence. Our target market tends to be internet and tech savvy, consulting blogs for much of their information (10). As for more emotional influences hipsters often look to social groups and opinion leaders for fashion decisions (10). These social groups are usually their close friends, i.e.: other hipsters. Musicians and fashion designers provide the opinion leader influence. For this reason we plan on designing t-shirts for various local bands and selling them at shows in the Loop and downtown. In addition to our secondary research we have created a survey for St. Louis specific markets (Figure 9).

Figure 9
Consumer Survey



2009 Consumer Survey

1. Circle your sex:
Male Female
2. Are you currently living in St. Louis? (Circle one)
Yes No
3. Are you a St. Louis Native? (Circle one)
Yes No
4. Have ever purchased clothing online before? (Circle one)
Yes No
5. If you answered Yes to #2, from which website did you order?

Using the following scale please answer questions 6-10 with the best response.

1) Strongly Agree 2) Agree 3) Neutral 4) Disagree 5) Strongly Disagree

6. I am comfortable shopping online. _____
7. I am considered a source of information to my friends in regards to fashion. _____
8. I am willing to pay more for clothing from brands that I prefer. _____
9. I prefer products that are tied to local businesses and organizations. _____
10. I am the first to try a new fashion, making me a fashion leader. _____

Please answer the next question in your own words to the best of your ability.

11. What clothing companies do you consider when buying a graphic t-shirt and why?

We expect our customers to consult three main attributes in choosing our brand. They are image, socially friendly means of production, and price. As stated before, an important aspect of our brand will be the image. Southern Cross will be known as a St. Louis company that is faithful to its local scene. When considering this aspect of our product we hope that consumers will find that no other brand can be as unique. While Busted Tees and Urban Outfitters may make similar products they are nationwide. It is also important that we advertise that our designs are printed on American Apparel clothing. This will promote that we are aware of various movements within our target market. Finally, price will be an important attribute for consumers when they evaluate alternatives. Because Southern Cross will be a small, new company using high quality products we will charge high prices. We want our image to be premium and the price should suggest this.

Marketing Strategy

Product Description
Pricing Strategy
Distribution Strategy
Promotion Strategy

“For someone who wants to show that they are a fashion leader, they want to wear a product that other people have not heard of or that is not easily seen in the media.”

Product Description

Southern Cross Design Company will be a designer, printer, and retailer of t-shirts, and other apparel, targeting mainly the St. Louis area. The name comes from the star constellation, which is also called the ‘Southern Cross’. These five stars can only be seen from the southern hemisphere. The name implies that the company is unique and holds a different stance than the rest of the industry, much like these stars are unique to the southern hemisphere. The actual placement of the stars is aesthetically pleasing and almost appears to have been designed by someone, as an abstract art piece. This also fits the image of cutting-edge design that Southern Cross wants to promote. Examples of these products can be seen in figures 10-13.

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Our services and products will be divided. T-shirts and other products which we design and print will be displayed on the website for customers to order directly. These will be created by our designers and for sale for anyone who is interested. Visitors who buy a t-shirt will pay by credit card online and later shipped to their home address. This half of the company will be much like the formerly mentioned Busted Tees website. The service branch of Southern Cross will be different. This function will be for specific clients who want to create a t-shirt for their own purposes. Most of these customers will be bands and local organizations. For example a band may come to us because they want to sell t-shirts. In this case our designers will work with them personally to create the best design. Once this is agreed upon the products will be printed and distributed. We expect most of these customers to buy in large supplies for their own sales.

Figure 10

Southern Cross
Logo Hoodie Front



Figure 11

Southern Cross
Logo Hoodie Back



Figure 12

Southern Cross
Graphic Tank



Figure 13

Southern Cross
Graphic Tee



38 In relation to other companies within the industry we plan to position ourselves as a very unique, and relatively premium product. Some of our competitors are premium, meaning they charge a high price, but are not particularly unique, while others are unique, but less expensive than other brands. Southern Cross Design Company will be very distinct because of its St. Louis target image, customer base and custom designed t-shirt services. We will also be relatively expensive, charging a price towards the top end of the t-shirt market to cover the high material costs.

Pricing Strategy

In pricing Southern Cross Design Company t-shirts we plan on using a 'skimming' strategy. Skimming means we will charge a high price to only reach consumers willing to pay more for our products. Once we gain popularity and achieve high sales with a high margin we will be able to lower prices and attract more customers. T-shirts ordered directly from the website will be priced differently than those that we make privately for clients. Those made and printed originally for customers will be charged according to the costs of that specific project. We expect that these shirts produced in bulk will cost less per shirt. The standard t-shirts, available for everyone, will cost \$26.99. This puts us higher than much of our competition, according to their respective websites. Busted Tees tends to charge about \$20 per shirt, but often has sales for shirts as low as \$8. Urban outfitters charges \$24 for each graphic t-shirt, while J. Crew demands up to \$33 for some t-shirts. This puts us as the second

highest, but since we expect a smaller, more specific market, we are willing to charge more. Our market position is illustrated in figure 14.

We intend on offering certain incentives to entice consumers to purchase our products. While we are planning on having our standard prices high, we will have certain sales promotions if the competition is too strong. Rather than offering a low starting price, we will list deals that include multiple shirts for a low price. Simply charging less for each individual shirt may cause consumers to perceive our brand as cheap, these packaged deals are a way of avoiding that. In this way our pricing would support our products as a unique brand.



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Figure 14
Retail T-Shirt
Market Positioning
Map

For introducing Southern Cross and entering the market our distribution plan will be rather simple. Most sales and operations will occur online. Customers will either order individual products from those listed for sale or contact us for a design and printing needs. Since orders will be taken directly online and then shipped to the customer's home southerncross.com will cover most consumers' needs. Our other channel of distribution will be through our actual clients who purchase shirts from us in order to sell them. Our clients would sell them at live functions, which they were promoting. For example a band may contact Southern Cross to design their t-shirt. These t-shirts would then be sold live at their concerts. This method would also be used if, for example, a fraternity wanted to print shirts and sell them at a party. All of our products will be labeled with a sticker showing that it is a Southern Cross product. Each label would list the IP address for our website and encourage them to check out other products there.

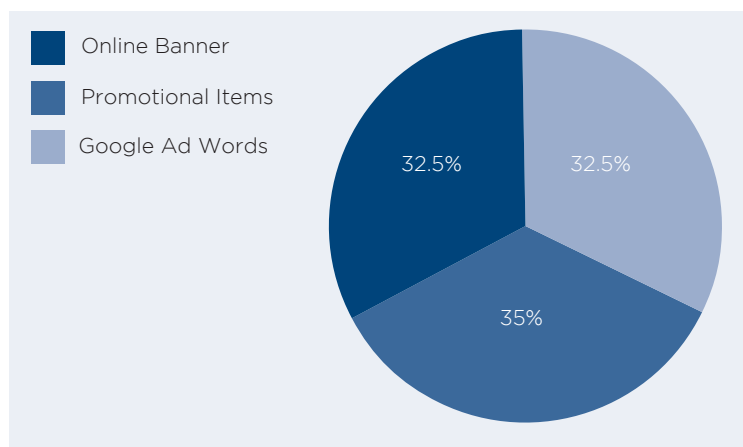
While it is not our intention to distribute our products in established brick and mortar retail outlets, it is a possibility for the future. In these cases we would license different outlets to sell Southern Cross Design products. Much in the way that we will label our products at local events we would also label them for retail sales.

Because the image of our brand will be so important, as it is a fashion product, promotion will be instrumental in the growth and success of Southern Cross Design Company. Communicating how our product is unique and cool will be our greatest tool in achieving sales. In reaching our target market, which consists of 'urban hipsters', we are trying to sell to a group that does not like corporate images or large companies. Because of this word of mouth tends to be the best form of promotion. For someone who wants to show that they are a fashion leader, they want to wear a product that other people have not heard of or that is not easily seen in the media.

Because our target market does not want to be 'sold' to, we will not use the more traditional forms of promotion. This would include direct mail, cents-off coupons, television advertising, radio advertising, and magazine advertising. Instead, most of our efforts, 65% of our promotional budget, will be directed online. See Figure 15. Our promoting online will be further divided among Google ad-words and advertising on the sites of the organizations who we print shirts for. By using these advertising methods we hope to reach our target market more selectively without appearing to be advertising everywhere. In the case of Google ad-words we would pay Google to list our website every time someone searches for a related word. For example, if someone searched for 'custom t-shirts' the search results would display a number of websites, including Southern Cross, which would be listed near the top. One advantage of

42 this kind of advertising is that we would only pay Google for every time that someone clicked on the link to our website. In this way we would only pay for people who are visiting southerncross.com. Our other form of advertising would be on the websites of bands St. Louis organizations who have used our services. For example if we sold t-shirts for a band that was performing in the Pageant we would have an internet banner ad on their website telling visitors to go to southerncross.com.

Figure 15
Promotional
Budget



The remaining 35% of the budget would go to promotional items, including key chains, stickers, and labels for our products. These would work to increase brand recognition while remaining within specific groups. In this way someone would find out about the brand when they see a friend, or someone at a concert using a bottle opener key chain.

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Southern Cross' image will be emphasized in every advertisement and promotional tool that we use. Our slogan, "Southern Cross Design Company—Unique Design for the Unique" will be in most things displaying our name. In addition we will use a combination of St. Louis specific images and the actual Southern Cross logo on our labels, t-shirts, and advertisements. This reinforces our selling message of being a St. Louis based organization and targeting a group of artistic, fashion sensitive hipsters.

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Colophon

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Set in 9pt Gotham Light with 14pt leading
Titles in 36pt Gotham Bold
Title page color / Pantone 295 C

Author / Designer Bios



Author: Sam Paasch

Sam Paasch is a graduate of the University of Missouri - St. Louis with a Bachelor of Arts in Business Administration, emphasis area marketing. He enjoys comfortable shoes and fine dining.



Designer: Randy Verbeck

Randy Verbeck is a graduate of the University of Missouri - Columbia with a Bachelor of Fine Arts in Graphic Design. He likes warm weather and sports follies.