



August 24, 2015

2016 Fashion Scholarship Fund \$5,000 Case Study

Background:

The global trend in subscription services continues to gain momentum, especially in the largely untapped retail product space. With many customers seeking a shopping experience as convenient as streaming their videos on Netflix, traditional department store categories such as apparel and accessories (Rent the Runway), menswear (Trunk Club) and beauty (Birchbox) are all now accessible through this new channel of distribution. As the subscription based business model continues to expand, innovation and differentiation will be the key to successful customer acquisition and retention.

Objective:

Tap into your **deepest creativity** and **innovative spirit** to help guide the subscription services business model into new territory. In this case study, you will attempt to answer two questions posed to us by Katia Beauchamp, the CEO of Birchbox. Your objective is to identify innovative ways to retain the existing customer base while also developing ideas on how to best attract new customers.

PART ONE: ALL APPLICANTS MUST ANSWER:

How can Birchbox identify innovative ways to retain and excite their current customer base?

- 1) Develop a competitive analysis of Birchbox and two competitors.
 - Use a SWOT analysis on Birchbox to identify their strengths and weaknesses.
- 2) Complete a customer analysis of the current Birchbox subscribers including:
 - Customer demographics.
 - Customer shopping behaviors.
 - Customer purchase influencers.
- 3) Identify one new creative approach to convert existing casual Birchbox users into loyal shoppers. Ideas can include but not limited to new services, new products or new promotions.
 - What actions will you take to ensure the implementation delivered a profitable result to the company?
 - Provide detail on what type of expenses and barriers to entry you anticipate during implementation.
- 4) Utilize the competitive analysis, customer analysis and new idea, to create your brand positioning statement for Birchbox.



PART TWO: PLEASE COMPLETE EITHER DESIGN (A) OR BUSINESS (B)

How can Birchbox leverage the insights and ideas from Part 1 in to attract a new customer?

A. DESIGN

- 1) Design a line of products from within the existing categories on the website (such as Makeup, Accessories, Home Décor), that will help you appeal to a new customer while ensuring you remain consistent to the Birchbox DNA.
 - Include 4-6 items within your new product line.
 - Create a brand name for this new line and explain the origin.
 - Identify the target customer of this new line.
 - Provide the details on why you believe this new line will attract a new customer to Birchbox.
- 2) Develop an inspiration board for the colors and patterns that you will recommend for the esthetic of your new brand and line.
 - Design subscription box packaging for the product.
 - Design in-store signing to promote the line in Birchbox's flagship store.
 - Provide the design creative for five marketing ads such as email, newspaper, magazine, etc.

B. BUSINESS

- 1) Birchbox currently has a limited brick and mortar operation with a key flagship, select leased locations and several pop up shops. Develop an expansion strategy that leverages the strengths of the existing business model to acquire new customers.
 - Select two innovative partnerships for distribution that will attract new customers while appropriately representing Birchbox's brand positioning.
 - Create a marketing campaign to support your new acquisition strategy, including marketing tactics and timing.
 - Provide a detailed financial plan for your expansion and marketing strategies. including expected revenue and expense over a 6 month time frame from August 2016-January 2017.
- 2) Identify the size and value of the potential new customer base given this distribution strategy.
 - Provide detail on your market size analysis.
 - Provide detail on your CLV (customer lifetime value) analysis.



PART THREE: PLEASE FOLLOW DIRECTIONS CLOSELY:

- 1) Grammar and spelling will count. Please make sure you proof read your case study. Points will be deducted for errors.
- 2) All case studies are to be done in an 8 ½ “by 11” PORTRAIT format. NO EXCEPTIONS. All case studies should be a minimum of six (6) and a maximum of ten (10) pages. This includes a four (4) page maximum for Part One and a six (6) page maximum for Part Two (design or business). You may include up to an additional five (5) pages for the appendix, bibliography, and citations.
- 3) Please make sure you use the APA format when writing the case study which includes that the main text be double spaced using Times New Roman font in size 12. Refer to the link below for other detailed requirements. <http://www.apastyle.org/learn/tutorials/basics-tutorial.aspx>
- 4) Please add an additional title page which will not count as one of the pages of your case study. The title page will include your name, major and indicate if your case study is BUSINESS or DESIGN in order to clearly identify Part Two. On the title page there should **NOT BE ANY REFERENCE TO SCHOOL NAME** as the case studies will be evaluated anonymously.
- 5) Simultaneously with educators mailing the hard copy of your case study to The Doneger Group, you will be required to:
 - a. Submit your completed case study ELECTRONICALLY to the SlideRoom platform.
 - b. By November 2nd, you will receive a link to SlideRoom.
 - c. By November 6th, you must set up your SlideRoom account and complete the online application.
 - d. Before November 13th your completed case study paper must FIRST BE APPROVED BY YOUR EDUCATOR/ADVISOR before uploading it to SlideRoom. Between November 6th and November 12th, educators will email a list of applicant names to (mcolletta@ymafsf.org) whose case studies have or will be approved for submission.
 - e. By November 13th, applicants are required to upload the following two documents:
 1. PDF file of your completed case study (APPROVED by your educator). Please note **there is a size limitation of 10MB** for each document uploaded to SlideRoom. If your case study is larger than 10MB you will need to compress the file before uploading.
 2. PDF file of **ONLY the “Experience” section of your resume**. There must not be any mention of the college/university the applicant attends, as the case studies are evaluated anonymously.