

**20  
91**

**A Business Plan for  
the Sustainable  
Fashion Brand 2091**

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# 20 91

## Contents

<b>Executive Summary</b>	<b>1</b>
<b>Brand Introduction</b>	<b>2</b>
Segmentation	3
Targeting	4
<b>Business environment analysis</b>	
PEST analysis	5
5 Forces analysis	8
Competitor analysis	9
SWOT	12
Objectives & Issues	13
<b>Corporate Generic Strategy</b>	<b>14</b>
<b>Marketing-mix / 4Ps</b>	<b>15</b>
<b>Conclusion</b>	<b>24</b>
 <b>Bibliography</b>	 <b>25</b>

## Executive Summary

This report aims to propose a business plan for a Chinese startup designer fashion brand- 2091. Considering the excessive pollution and wastes generated by the fashion industry, the theme of sustainability has been raised as an inevitable problem faced by the startup fashion brands. This business plan for 2091 was born in the above context.

The expensive cost of sustainable production, incurred through the process of collecting, washing, and recycling the organic fiber or worn fabric, has so far remained as a challenging hurdle for fashion manufacturers to commit to their sustainability ambition. Because of the hefty production costs, many small businesses failed to realize their sustainability related goals. In order to tackle this long-lasting challenge, 2091 proposes an innovative solution that minimizes resource usage by applying digital prototyping in the design process, the brand marketing, management, and distribution channel.

By providing an alternative approach different from traditional high-cost practices, 2091 intends to demonstrate more ways to actualize the concept of sustainable fashion.



# Brand Introduction

## Brand Name & Brand Philosophy

2091 is a fashion designer brand that began planning in 2019. This name was inspired by the naming logic of George Orwell's dystopian social science fiction novel 1984, published in 1948. The year 2091 is intended to represent an imagined future world where pollution and resource issues are more acute. Under this premise, 2091 lays out a blueprint for fashion brands to break through the traditional design process and develop a more convenient, efficient, and long-term workflow. Just as the brand philosophy we hold "Thinking, executing, and creating in the future".

## Brand Logo

20  
9120  
91

## Brand Mission

- To offer both high-quality and well-designed garments produced and displayed in a more eco-friendly way.
- To bring novel design ideas and shopping experiences to the fashion industry.
- To contribute to environmental sustainability by minimizing resource consumption during the entire design, brand marketing, management, and distribution processes.

# Segmentation

## Demographic variables

Gender: all gender

Age : 18~28 years old

Generation: Millennials and Generation Z

Occupation: University students, or office workers, cultural labors

Education: High school degree or above

Income: Middle or higher income, or parental support, disposable income range from 10000RMB to 30000RMB

## Geographic variables

Residential location: Living in a metropolitan area with more access to shopping malls and buyer's stores

## Psychographic and behavioral variables

Lifestyle: love to post selfies or life photos on social media, open to last launched technology, love to wear fashionable

Self-image: free spirit, self-consciousness, stylish, aesthetic

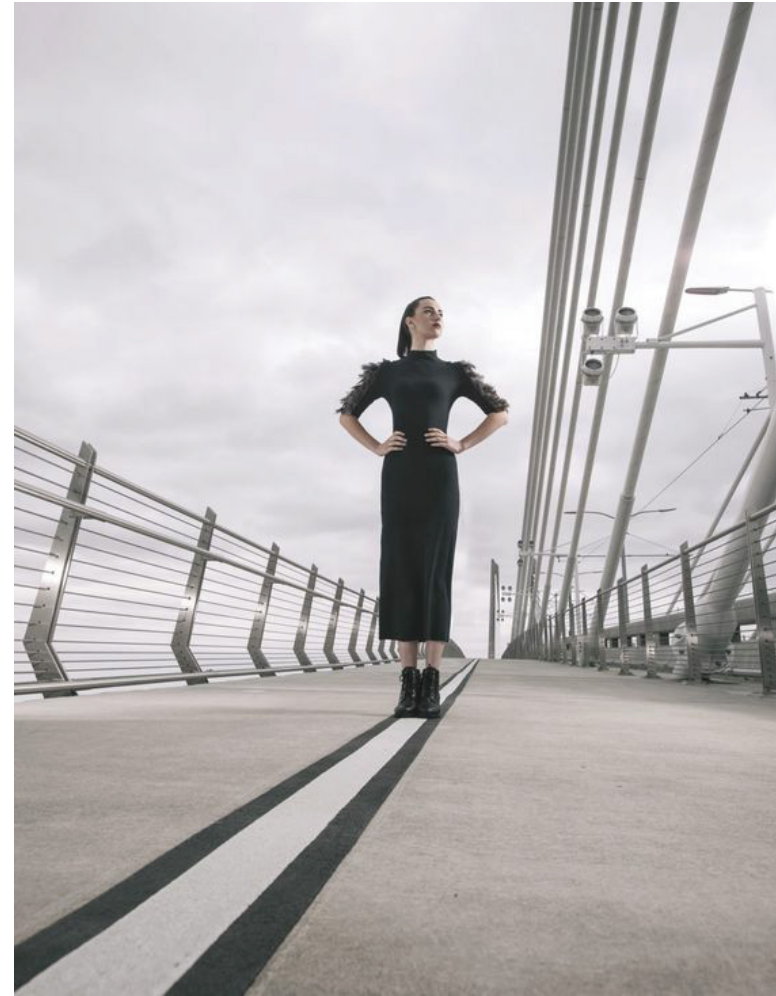
Purchasing motives and behaviors: to explore the inner self, to pleasure themselves, to present their aesthetic and personality

## Usage and benefit variables

Price sensitivity: generally low, especially when compared to the preceding generation.

Brand loyalty: relatively low brand loyalty to any specific fashion brand

End-use of product: customers get tired of fast fashion and start to pay attention to the longevity of fashion products.





## Targeting

2091's target consumers are the people called Generation Z (born in 1997~2010) , also known as zoomers. These people have a high level of acceptance and ardent interest for new technologies or designs since they grew up with the rapid growth of technology. When they choose dressing, today's youth place a premium on self-expression and are more willing to let their inner characteristics shine through. Instagram, Twitter, Facebook, and WeChat have grown increasingly significant in Gen Z's everyday lives. Their attire, their daily routine, their habits, etc., every detail about oneself may be shared on social media to receive comments or to express a feeling of self.

Meanwhile, with the fast fashion business in decline, stylish but low-quality mass fashion is no longer the first option for young people. The purchasing habits of our targeting clients are shifting to achieve a more lasting, high-quality, and distinctive wardrobe. Even while the price of individual designer brands is relatively high, the demand for more attractive, intricate, and well-designed garments continues to rise, particularly among Gen Z.

Furthermore, in 2021, Gen z will be the most environmentally concerned generation, eager to promote sustainable fashion and pay the price to do so. The fashion industry has long been associated with severe environmental consequences such as waste contamination and water pollution. In this situation, younger generations are demonstrating more care and demand for sustainable fashion products, which has already influenced how Gen Z spends their money. "Nine in ten generation z consumers believe companies have a responsibility to address environmental and social issues (Amed, 2019)".



## Business environment analysis – PEST analysis

### Political

With the blueprint of bringing China's fashion industry to the global stage, the Chinese government actively promotes domestic fashion culture through legislative, financial, and resource assistance, allowing medium and small-scale businesses and independent brands to thrive and further develop. Since the Chinese government has realized the need to shift its economic development and consumption patterns to be more sustainable, they released the regulations on waste management, the prohibition of investments in coal projects, and the publication of recommendations for green investment prioritization in China's banking sector. The company utilizes a greener mode of production may receive financial support and a more friendly tax policy.

### Economy

China's fashion industry is facing a transition stage. According to McKinsey, China surpassed the United States as the world's largest fashion market in 2019. Over the last decade, China's fashion industry has flourished and evolved due to the rapid urbanization and rising consumer spending power. It is still growing rapidly at the moment, but it is also dealing with the difficulty of rising labor expenses. Therefore, the fashion industry began to investigate industrial transformation and upgrading in order to minimize its reliance on the traditional cost-leading production model. Meanwhile, this industrial transformation also created various opportunities for the growth of small and micro-enterprise. The reasons include the epidemic, the maturity of e-commerce, the formation of individual societies, etc. The demand of the new generation of customers is properly met by the small-scale enterprises with good product differentiation. In the background of the declining large-scale fast-fashion economy, the rise of these small and micro-enterprise started to make up for this gap. This situation has further changed the development direction of China's fashion economy in the next decade.

## PEST analysis

### Social

The growth of e-commerce in the fashion business has resulted in a domino effect of the lifestyle change of the internet generation. Different from the lifestyle in the age of paper media, people nowadays can easily get access to a good deal of information from a wide range of sources. With the rise of social media, the fashion style of social media celebrities and KOLs has had a huge impact on young people, leading to some of them starting interested in fashion and gradually establishing their own fashion aesthetics.

Millennials in China, unlike their elders, are more focused on individualism. Their growing attention to self-expression and self-pleasure indicate that they are more willing to purchase the products which can provides them more emotional value other than practical value to pleasure themselves. These groups' purchasing power, which currently numbers around 410 million people, is going to continually increase. Working with millennials and the digital age, Chinese fashion brands, especially individual designer brands, have a lot of potentials to explore.

Furthermore, Chinese consumers are increasingly demanding ethical standards and responsible fashion enterprises, since they are concerned about long-term development and sustainability. Rather than producing fashionable but low-quality designs to appeal to the changing tastes of the young generation, one of the most popular directions for Chinese fashion firms to pursue is becoming a fashion brand with a more distinct brand DNA and a sense of social responsibility.





## PEST analysis

### Technology

The Chinese government has spent the last few years focusing on e-commerce development. Nowadays, fashion is one of the most popular e-commerce categories in China. Because of the innovations like matrix coding, product co-creation, and internet purchasing, customers' decisions and purchases of fashion have become more convenient. Shopping online has become the preferred method for most people due to lower prices and a wider variety of designs.



The fashion business has always been affected by technological advancements, which have had an impact on how apparel is manufactured, distributed, and delivered to clients. Different from the flourishing development of e-commerce, fashion production is still labor-intensive and has limited automation due to frequent design and demand changes. The manufacturing procedure is still carried out in the traditional format, which is highly dependent on manual pattern making and prototyping. The technology of digital 3D prototyping is still not commonly applied to reduce the material used throughout the design process. In this case, consumers are increasingly demanding ethical practices during supply chain and manufacturing with the concern of long-term development and sustainability.

## 5 Forces Analysis

### **Rivalry between competitors- Low**

There are not so many competitors with similar concepts and creativity. Although sustainability has become a popular topic among fashion marketing, the brands, like Everlane, Marine Serre, etc., which truly bring the idea of sustainability in their design or production process are still limited due to the high cost and the insufficient of technology. Even though there are some large-scale fashion companies (like MUJI, ICICLE, COS) with the idea of sustainability and enough technical support, their designs are too common to reach the niche market that 2091 trying to target.

### **Bargaining power of buyers- Medium**

Without a solid consumer base, customers' bargaining power would be high in the early stages of a startup fashion brand. However, 2091's product differentiation strategy in terms of distinct design, high quality, and unique brand concept may help establish a loyal consumer base in the future. Customers would have to pay more to switch from one fashion company to another because of our distinct designs.

### **Threat of substitutes- Medium**

Since 2091's pricing is relatively high, replacements such as luxury fashion brands with stronger brand recognition or other mid-market fashion firms with more product options would pose a significant threat. On the other hand, the uniqueness of 2091's product enhances our competitive advantage.

### **Power of suppliers- High**

Because 2091 is a young fashion brand without any recourses of factory, which means that the brand must rely on external suppliers for raw materials, fabrics, and manufacture. Even though China has a variety of materials suppliers, the number of prime suppliers who can meet the requirements of 2091 is still limited. Meanwhile, the small order quantity of 2091 would eliminate the brand's bargaining power and enhance the power of suppliers.

### **Threat to new entrants- Medium**

It is highly possible for new companies to enter other small niches of the fashion industry, like many emerging individual designer brands based in China, because of the low startup cost and the transparent access to suppliers and distribution channels. However, it is difficult to achieve the same sustainable digital concept as 2091 does due to the high expanse of the software training and cultivating aesthetics. Moreover, it is still taking time for 2091 to build a well-known brand name and high brand loyalty to further eliminate the threats of new entrants.

## Competitor Analysis

### Marine Serre/

Marine Serre is a French fashion brand that established in 2018. Designer Marine Serre has always pursued an approach that she defines as "eco-futurist", the result of the hybridization of apparently distant worlds, from sportswear to utilitarian clothing, from ready-to-wear to tailoring. The designer adopts a comprehensive approach based on upcycling. At least half of the clothes and accessories in each collection are derived from end-of-cycle products, deadstock, second-hand clothes, recycled materials, textile wastes, etc. Marine Serre mainly focused on the developed countries as its target market. Customers in developed regions have relatively higher incomes and advanced educational backgrounds. The products of Marine Serre are mainly distributed through online channels, including their official website and a few major cross-border e-commerce platforms like Mytheresa, Ssense, Farfetch, etc..

### Strength

- Mature technique of upcycling, the production of the majority of new garments based on end-of-life materials.
- Versatile product structure, includes four main lines: Borderline for underwear, Whiteline for versatile garments, Goldline for elaborated attires, and Redline for unique artisanal couture.
- The moon brand mark on signature designs formed a viral spread, which greatly enhanced brand recognition.

### Weakness

- High prices from 100 EUR to 1500 EUR, some couture items are price on demand.
- Not all of the signature products are upcycled, the majority of them are not made from sustainable or recycled materials but environmentally harmful materials like polyesters.



MARINE SERRE

*Vogue*, by Mark Holgate, March 2, 2021

## Competitor Analysis

### The Fabricant/

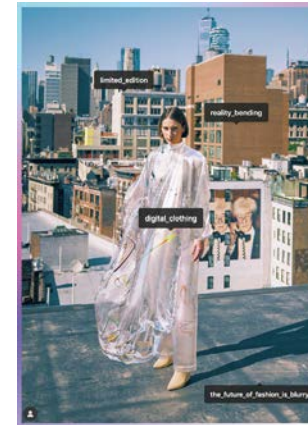
The Fabricant is a digital fashion house created digital-only fashion that can be used and traded in virtual realities. In 2021, the Fabricant newly released their debut collection curated with their own studio platform, where users can create virtual couture as NFTs with fashion brands and creatives. In addition, the Fabricant has a sole online distribution channel that delivers to clients worldwide. Displayed only in English, the brand covers a relatively narrow market in only English-speaking areas.

### Strength

- Since the Fabricant produces digital samples replacing physical garments during design and development phases, which significantly diminishes their carbon footprints, the use of toxic chemical, and water waste.
- Possesses advanced 3D clothing modeling technology capable of creating virtual fashion products that can be shared on social media or traded as NFTs in the metaverse
- Has established good relationships of corporation with many well-known fashion brands and fashion retailers, like Adidas, Puma, Aape, I.T., etc.

### Weakness

- Do not produce physical items
- Do not have brick-and-mortar stores and lack of instore shopping experience
- Since the Fabricant's designs and services are primarily targeted at the fashion industry with a demand for digital campaigns, they are not well-known among non-fashion professionals.



iridescence by Dapper Labs x The Fabricant x Johanna Jaskowska

The Fabricant x PUMA



## Competitor Analysis

### Carlings/

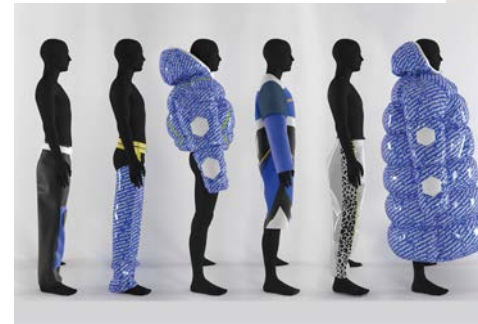
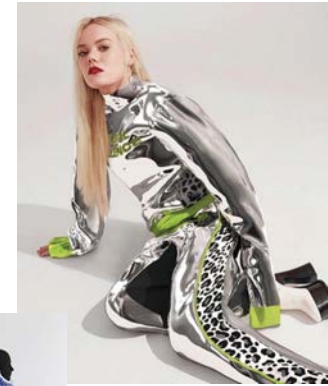
The Carlings is one of the few fashion houses to have consecutively released and sold out its virtual collections. In 2018, Carlings released "Neo X," an all-virtual collection with 19 pieces priced between \$9 and \$30, when virtual fashion was much more nascent. Their customers could send in daily life photos of themselves, and the Carlings would render their clients' outfits in photos into their virtual designs. To promote their business, the Carlings leverage the power of social media platforms and the concept of digital virtual fashion with minimal environmental impact.

### Strength

- Low fixed cost without any expenditure on physical garment production and runway shows
- Mature technology for 3D modeling of garment
- Highly sustainable with minimal waste to environment

### Weakness

- Do not produce physical products
- Do not have physical stores and lack of physical customer experience
- Not well-known among non-fashion-professionals



"Neo-Ex" capsule collection by Carlings in 2018



# SWOT Analysis

## Strengths

- The brand differentiation of digital design developing and sustainability are its unique selling point
- The ethical concern embedded in 2091's brand concept can enhance both customer favorability and customer loyalty
- The asset-light strategy allows 2091 to keep manufacturing costs low, operations lean, and movements agile
- The digital business model of 2091 can support the rapid growth of design capability and geographical expansion through digital 3D prototyping, online commerce, and digital marketing, etc.

## Weaknesses

- Relatively high retailing price due to the original designs and limited production scale
- Limited choices for fabric supplier and manufacturers caused by high-quality fabric selections and strict requirements on garment manufacturing
- Lack of offline shopping experience due to no physical stores

## Opportunities

- The rapid growth of 5G networking around the world opens up a lot of opportunities for digital fashion promotion.
- A new digital fashion market has been identified, signaling low competition pressure and the potential for future exploration.
- People are becoming more socially and environmentally conscious, especially the young generation, have a heightened expectation of fashion brands to contribute to ecosystem wellbeing through real activities and are even willing to pay more for sustainable products.
- As public awareness of environmental issues grows, the Chinese government is increasingly providing financial and policy support to environmentally responsible businesses.
- China's well-developed e-commerce ecosystem is beneficial to the growth of new fashion brands.

## Threats

- Due to the frequent updates of technology, the existing 3D modeling technology may be replaced by new software or medium.
- Relatively low entry barrier for new competitors due to the low startup costs
- Relatively low market share caused by limited target customers
- Limited fabric suppliers caused by the high standards and strict requirements from 2019
- The 3D modeling technology or the virtual design technology can easily be copied



## Objectives & Issues

There's no doubt that Gen Z has great purchasing power, and their interest in sustainable design is growing. Despite the market's promising growth potential, 2091 will need to maintain a close eye on the market's shifting trends and consumption patterns in order to adjust its development strategy timely.

### Objectives to consider:

- Acquire market share; Establish 2091's visual language to enhance brand awareness
- Effectively utilize virtual prototyping for the purpose of sustainability and futuristic brand concept projection

### However, there are issues to be considered:

- It is more difficult to emotionally connect with clients without presenting design ideas through physical objects
- The barrier of new entry is low due to the simple access to 3D modeling techniques. In order to defend our brand from potential duplication and product uniformity in the market, it's critical to maintain originality and stay on top of the fashion trends.

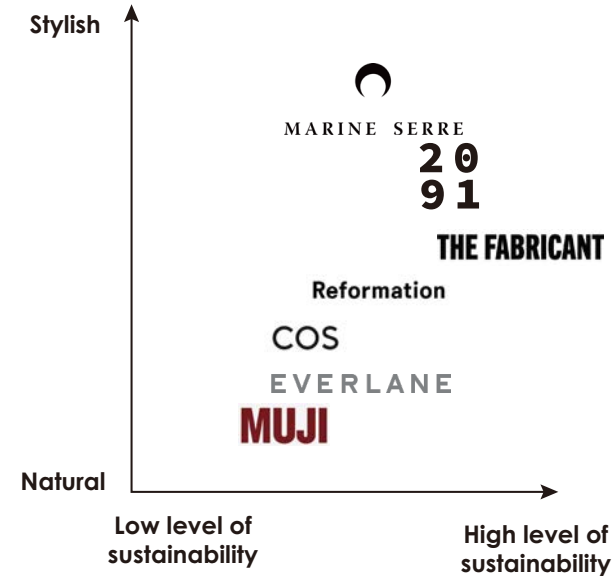
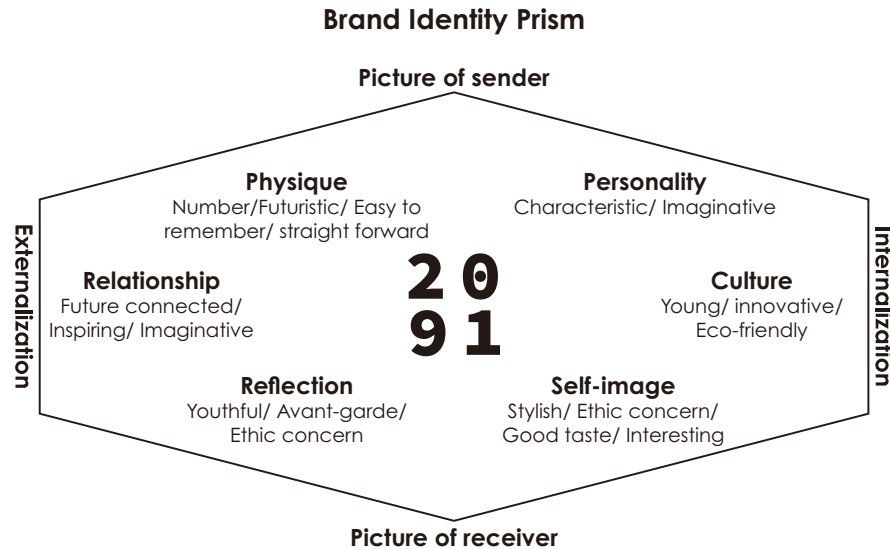
## Corporate Generic Strategy

2091 is a designer fashion brand focusing on a niche market, namely Gen Z customers who constantly seek new ideas and experiences. The two corporate general strategies that best match the brand are the differentiation strategy and the focus on a niche market. *Differentiation* refers to an approach that emphasizes product innovation and design, aiming to compete with the high quality of products and services provided rather than the price offered. The *focus on a niche market* refers to the concentration of the target young generation. The brand shall presumably leverage its marketing abilities and unique design capabilities to acquire a large group of loyal customers and yield a high profit margin.



## Positioning

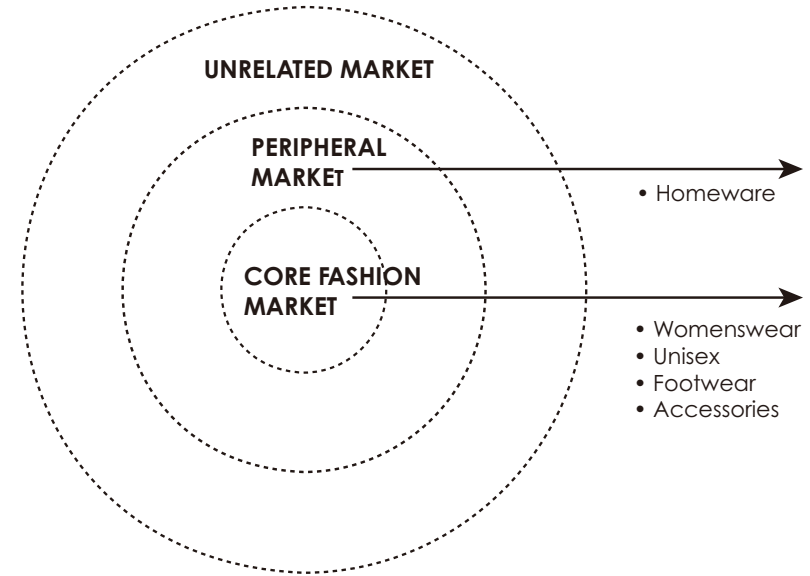
2091 mainly target millennials and generation Z, who grew up during the internet era. These well-educated young people are interested in both new technologies and are environmentally sensitive. By utilizing computer 3D prototype technology, 2091 seeks to explore the possibilities of ethical fashion practice throughout the garment design, production, and distribution process. The design style of 2091's designs is dreamlike, surrealistic, fun, futuristic, peaceful, to speak about an imaginary future world.



## Product Strategy

Aligned with the brand philosophy of "Thinking, Executing, and Creating in the Future," we attempt to illustrate a hypothetical future environment where workflow as well as end products will be advanced to a more effective and sustainable level. The whole visual presentation, including but not limited to the logo, garment styles, packaging designs, campaign photography, and promotional materials, will be given based on 2091's distinctive future aesthetics.

Of our product portfolio, the majority of them, targeting 2091's core fashion market, will be womenswear, unisex, footwear and accessories. There will be special or seasonal homeware items, targeting the more peripheral market.



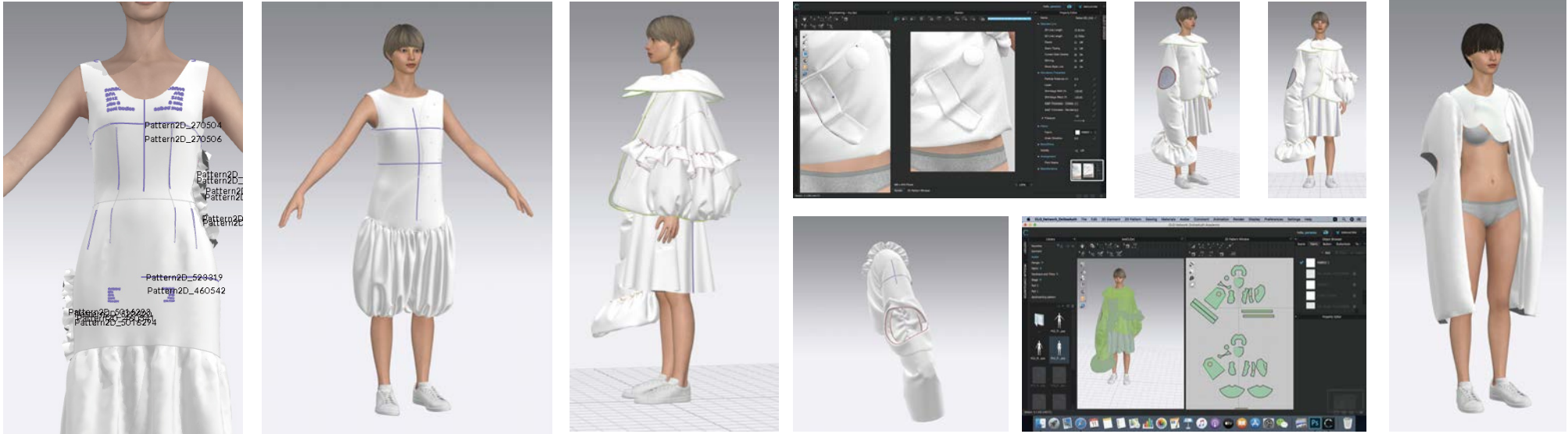
### Merchandise Strategy

<b>Iconic Category</b> Jacket/Coat/ Dress	<b>Aspirational Category</b> Homeware
<b>Extension Category</b> Footwear/ Unisex T-shirts	<b>Staple Category</b> Necklace/ Earrings/ Hat/ Scarf

To fulfill diverse customer needs, 2091 plans to divide products into four categories with different merchandise strategies: the iconic category contains jackets, coats, and one-piece dresses to address customers' primary needs; the extension category includes footwear and unisex T-shirts; the aspirational category covers seasonal homeware products; and the staple category contains various accessories like necklaces, earrings, hats, scarves, etc., which provide more entry-level priced options to new customers.

## Product Strategy — Digital Prototyping

2091 is now utilizing CLO, a 3D fashion design software tool that creates virtual, true-to-life garment visualization using cutting-edge simulation technology for rendering digital prototypes.



\* 3D modeling by CLO





\* Garment rendering by CLO

## Product Strategy — Design

2091, initiated as a premium designer brand, will set a high price for its high-quality garments. The price ranges from RMB 800 to 5000. As far as being concerned, such a price level will both ensure a sustainable profit margin and align with the brand's premium image.

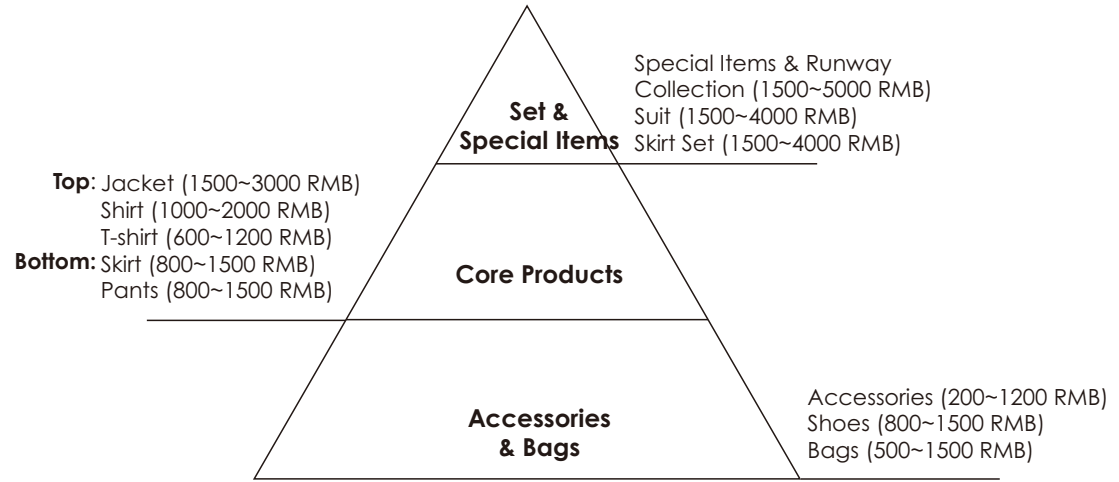


## Pricing Strategy

2091, initiated as a premium designer brand, will set a high price for its high-quality garments. The price ranges from 600 to 5000 RMB. As far as being concerned, such a price level will both ensure a sustainable profit margin and align with the brand's premium image.

Regarding the specific pricing, the main products, such as the jackets that feature iconic design elements, are sold from 1500 to 3000 RMB. The essential cotton t-shirts range from 600 to 1200 RMB, while the bottoms, including skirts and pants, range from 800 to 1500 RMB. Accessories and bags range from 200 to 1500 RMB. The special items and runway collections that contain evening dresses, suits, and skirt sets are set at the highest price level from 1500 to 5000 RMB.

In addition, 2091 uses the premium strategy to position the brand in the mid-to-high end market and level up the brand image.

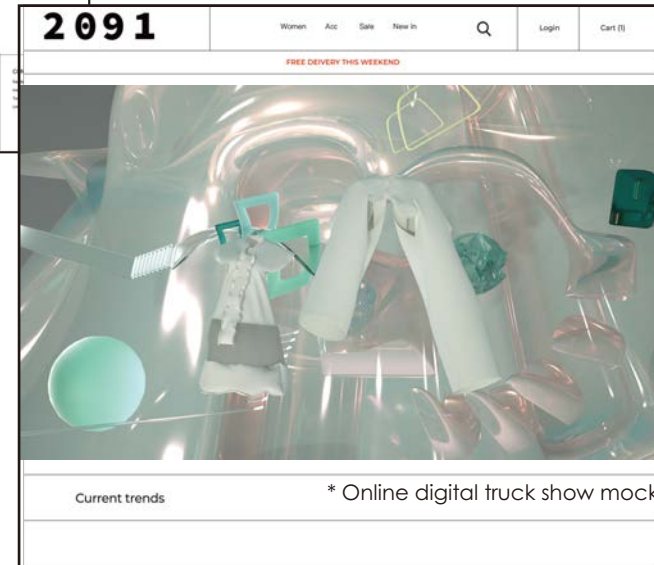


## Place Strategy

As online visual displays constitute an irreplaceable part of the brand's marketing strategy, more emphasis will be placed on online sales distribution channel. 80% of the sales activities is expected to be happened online.

An effective online channel development of the brand shall be not only for sales transactions, but also for aftersales communication, customer acquisition, and community establishment. Customers shall be able to interact with the brand through a series of digital engagement such as online product launch and display, digital trunk show and video runway, AR Try-on, etc.

Such choice of distribution channel arises from the flourishing e-commerce industry in China. Major e-commerce platforms in China like Tmall (operated by Alibaba Group) own a large customer base compared to other channels. Additionally, buyer's shop also have their own online stores in these e-commerce platform, further enhancing the O2O shopping experience.



## Place Strategy

While online sales channel is where our major focus is on, there will still be 20% of the sales distributed to offline channel. Such arrangement aims to promote a more engaging and appealing shopping experience in-store. This portion of the sales will be solely through buyer's shops, and will preferably help the brand reach broader customer base, enhance the shopping experience through try-ons and other in-store activities, and strengthen 2091's premium designer brand image.



\* Showroom interior design from GQ  
This image is for illustration purpose only,  
not a display of actual showroom

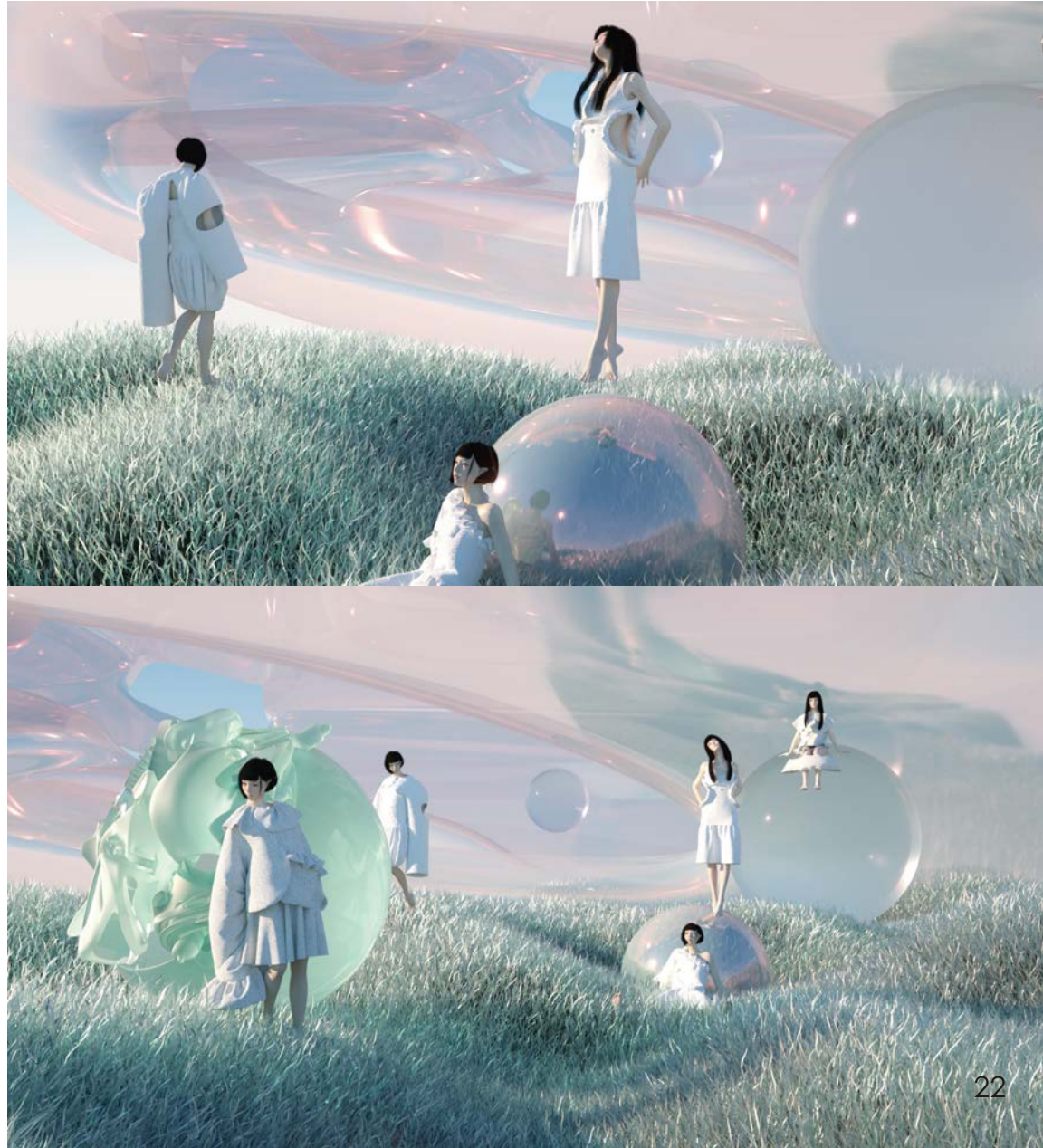


\* Offline AR-try on machine from *Japantimes*  
This image is for illustration purpose only, not a display  
of actual machine

## Promotion Strategy

Promotion strategy is an essential component of 2091's business model, as it differentiates the brand from its peers and appeals to particular niche target customers.

Instead of signing contracts with celebrities or social influencers, 2091 will utilize virtual models to display the garments. It will drive customers' attention more to the products themselves, without incurring unnecessarily high promotion costs.







\* Filter mock-up, Interaction between customers and virtual models

## Promotion Strategy

Another promotion tactic that will be applied is the try-on filter sent for free after the purchase of the physical garment.

i.e. when a customer purchase a piece of clothing from 2091, he/she will simultaneously receive the clothing's digital version in a form of filter that can be put on by the customer permanently in various scenarios such as social media platforms. The strategy aspires to capture Gen Z customers' demand for novelty and their enthusiasm of social media sharing.

## Conclusion

Through an effective incorporation of digital 3D modeling techniques, this business plan for 2091 provides start-up enterprises with a more straightforward access and more internal motivation to carry out sustainable production plans for garment design and manufacturing. This business model in somehow has the potential to not only minimize resource consumption but also assist customers in comprehending the brand concept through virtual visual language rather than the unsustainable one-time usage of physical samples.

However, the concept still has limitation regarding the application scenarios as the strategies proposed are generally more suitable for small and micro scale firms to utilize, while being less applicable for the transformation and upgrade carried out by the large corporations. In the long term, 2091 will have to deal with issues such as 3D modeling technology upgrades, restricted natural fabric materials from external suppliers, limited distribution channels, etc.

In summary, 2091 will implement this business strategy to explore further possibilities for sustainable fashion and to pursue a vision of a more eco-friendly, efficient, and livable future world in the near future.





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