



ATHLETA

Expansion of Athleta to Melbourne, Australia

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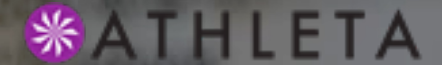
Samantha Kaufmann

Market Opportunity

- Located in the United States and Canada
 - Announced its expansion to Canada in April of 2021 (Mario Toneguzzi for Retail Insider, 2021)
 - Opened Vancouver store in September
 - Opened Toronto in November
 - Besides the U.S. and Canada, is not located anywhere else
 - Expanding to Melbourne, Australia!
 - Fitness and athletic clothing stores



Country Characteristics: Development Level



Overall stability and security

- Effective governance (Australian Trade and Investment Commission, 2022)

Bureaucratic efficiency

- Wealthiest Asia-Pacific nation (2022 Index of Economic Freedom)
- Highly effective compared with similar nations (2022 Index of Economic Freedom)
- High levels of foreign investment (2022 Index of Economic Freedom)

Education

- Australia's education system is considered one of the best education systems in the world, for domestic and international students (FutureLearn, 2021)
- High standards for teaching comprehensive curriculums with professional qualified teachers

Human rights

- The Australian government is committed to protect human rights such as freedom of speech, opinion, religion, association and movement, this is protected by the common law. (AU Gov Attorney's General Department, 2020)

Infrastructure

- Melbourne, Victoria has extensive road and rail networks, world-class sea and airport hubs, and high-quality telecommunications infrastructure (Global Victoria, 2021).
- The Melbourne airport is the busiest passenger and container airport, conveniently located close by the city center of Melbourne.

Labor Cost

- Average salary for jobs in Melbourne, Australia is \$83,083 (AUD) yearly. Hourly rate of \$40 (AUD) (ERI Economic Research Institute, 2022).
- The Fair Work Act of 2009 allows employees to have basic rights such as minimum wage, paid leaves, compensation for overtime, safety and lawful practices (Global People Strategist, 2019).

Country Characteristics: Geographic Location

Full container load as it would be the most cost effective.

Shipping Cost

From Nam Dinh Port, Vietnam is \$5,410, Ho Chi Minh City, Vietnam is \$5,770, (*Freightos | Instant Freight Rates and Booking, 2011*)

From Colombo, Sri Lanka is \$4,973 and from Semarang, Indonesia is \$5,148. (*Sea Freight Calculator, 2022*)

Shipping time

All packages being imported to Australia must be shipped via sea shipping, which can cause slightly longer delays.

Based on the countries that are producing the garments, it can vary from 3-26 days to get to the Melbourne's port.

The difference in shipping times allow us to showcase different products at a time as they come in.

Cultural values and norms

Authenticity and humility are strong values. Business meetings are generally relaxed, and Australians prefer to use people's first names, it's preferred to avoid using titles, even at the initial meeting, punctuality, introducing yourself first and being direct is respected. It is also important to avoid high pressure techniques and maintain minimal small talk when doing business (*Australia - Culture, Customs and Etiquette, 2020*).

Import duties

Unless there is a tax exemption or concession applies, all items imported into Australia a tax (Australia Government, n.d.).

The countries we are in business have FTA with Australia, all except Sri Lanka and even then, we have a low import duty tax of 5% (*IBISWorld, 2021*).

Risk of natural disasters

Natural disasters in Australia can include heatwaves, bushfires, droughts, floods, severe storms and tropical cyclones, earthquakes, tsunamis and landslides (*Healthdirect Australia, n.d.*).

Melbourne is in the state of Victoria in the southeastern region of Australia, most of this disaster take place in the states of Western Australia, Queensland or New South Wales (*Australian Journal of Emergency Management, 2020*).

Target Market

Demographics

- 30–55-year-old women
- Graduated with a degree
- Married
- 2-4 household size
- \$50,000-100,000
- Working mom: yoga instructor, small business owner
- All races/ethnicities

Behavioral Segment

- Conscious spender but will treat themselves
- Trader Joes, Banana Republic, Trenerly, Kohls, Marks and Spencer
- Hiking, swimming, family activities, yoga, cooking

Psychographics

- Middle-upper middle class
- Open minded, environmentally aware, self-care, liberal, feminist

Melbourne

- 5.31 billion people 2021
- 51 % women
- 40 % of population is 30-55 years old
- 50% of women live and maintain a healthy lifestyle
- (City of Melbourne, n.d.)

Competitive Analysis



Fashion Goods

Fashion Goods

Fashion Goods

Fashion Goods

Normal Goods
\$30 - \$175 USD

Normal Goods
\$40 - \$1000 USD

Normal Goods
\$20 - \$500 USD

Normal Goods
\$140 AUD/\$100 USD – \$450
AUD/\$350 USD

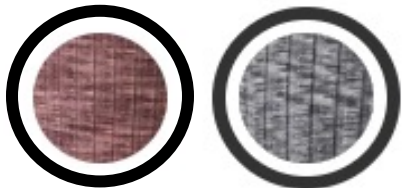
Melbourne

Melbourne, Queensland,
Victoria, Australian Capital
Territory

Melbourne, Queensland,
Australian Capital Territory,
Victoria, South Australia, New
South Wales

Byron Bay

Line Plan



Revolve Pant

*88% Nylon 12% Spandex
*Made in Vietnam
*Retail Price: \$129.00



Sojourn Top

*100% Polyester
*Made in Vietnam
*Retail Price: \$148.00



RainOut Forecast Shell II

*Base Fabric: 100% Nylon,
Lining and Mesh: 100%
Polyester
*Made in Indonesia
*Retail Price: \$169.00



Cozy Karma Asym Pullover

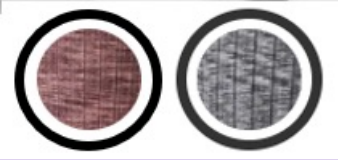




*70% Polyester, 27% Cotton,
3% Spandex
*Made in Sri Lanka
*Retail Price: \$108.00



Flare Pant

*87% Nylon, 13% Spandex
*Made in Vietnam
*Retail Price: \$99.00

Textile Sourcing Plan

				
88 % Nylon 12% Spandex	100% polyester	Fabric 1 – 100% nylon Fabric 2 – 100% polyester	70% polyester 27% cotton 3% spandex	87% Nylon 13% Spandex
Fujian Techwork Textiles Co., Ltd	Fuzhou Huasheng Textile Co., Ltd	Suzhou Tianruiyi Textile Co., Ltd	Dongguan Mengyun Textile Co., Ltd	Fujian Techwork Textiles Co., Ltd
Fujian, China	Fujian, China	Suzhou, China	Dongguan, China	Fujian, China
https://www.tw-textiles.com/about-us_d1	https://www.fuzhoutextile.com/contact-us/	https://sztianruiyi.en.alibaba.com/minisiteentrance.html?spm=a2700.details.cordpanyb.2.4f7b7563o07jCL&from=detail&productId=1600236762202	https://mengyunfangzhi.en.alibaba.com/minisiteentrance.html?spm=a2700.details.cordpanyb.2.e7bd350bu07Wsw&from=detail&productId=1600372851195	https://www.tw-textiles.com/about-us_d1
10%	10%	7.5%	0%	10%
35 hrs from Fujian, China to Nam Dinh, Vietnam by truck	40 hrs from Fujian, China to Ho Chi Minh City, Vietnam by truck	8 days by cargo from Suzhou, Jiangsu, China to Semarang, Indonesia	9 days Dongguan, China to Colombo, Sri Lanka	35 hrs from Fujian, China to Nam Dinh, Vietnam by truck

Garment Manufacturer Sourcing Plan

<p>Revolve Pant</p> 	<p>Sojourn Top</p> 	<p>RainOut Forecast Shell II</p> 	<p>Cozy Karma Asym Pullover</p> 	<p>Flare Pant</p> 
<p>Viet Thuan Apparel Company Limited - RSI Vietnam</p>	<p>Ltp Vietnam Co., Ltd.</p>	<p>Binabusana Internusa</p>	<p>Brandix</p>	<p>Viet Thuan Apparel Company Limited - RSI Vietnam</p>
<p>Nam Dinh, Vietnam</p>	<p>Ho Chi Minh City, Vietnam</p>	<p>Semarang, Indonesia</p>	<p>Colombo, Sri Lanka</p>	<p>Nam Dinh, Vietnam</p>
<p>Full package</p>	<p>Full package</p>	<p>Full Package</p>	<p>Full package</p>	<p>Full package</p>
<p>https://www.rsiapparel.com/</p>	<p>https://www.ltpgroup.com/garment-products/athleisure</p>	<p>https://www.bbi-apparel.com/</p>	<p>https://brandix.com</p>	<p>https://www.rsiapparel.com/</p>
<p>0% - RCEP</p>	<p>0% - RCEP</p>	<p>0% - IA-CEPA</p>	<p>5% - GST</p>	<p>0% - RCEP</p>
<p>15/16 Days from Nam Dinh Vu Port to Port of Melbourne</p>	<p>15/16 Days Cat Lai Port to Port of Melbourne</p>	<p>25/26 Days from Tanjung Mas Seaport to Port of Melbourne</p>	<p>2/3 Days from Port Colombo to Port of Melbourne</p>	<p>15/16 days from Nam Dinh Vu Port to Port of Melbourne</p>

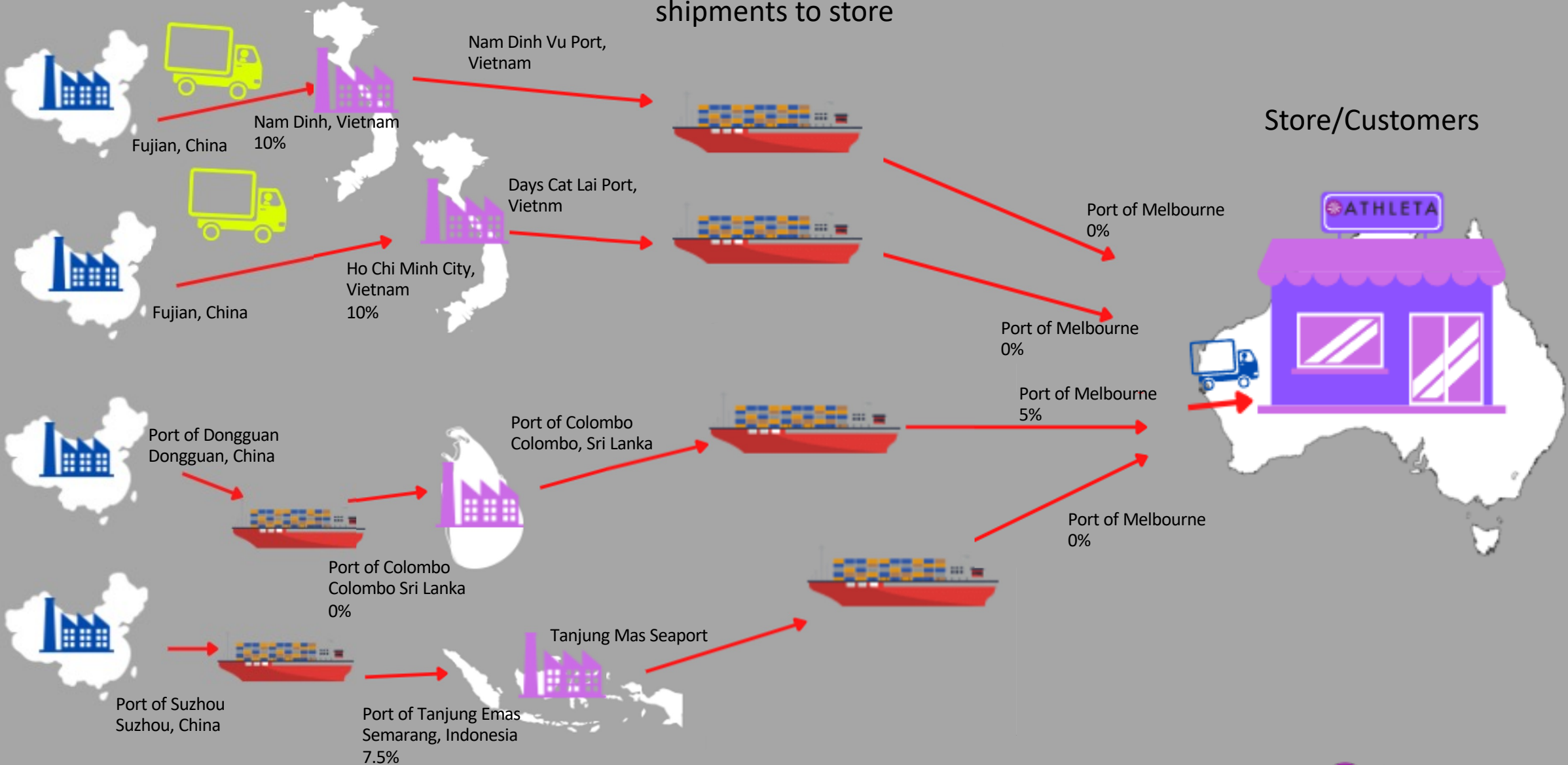
Supply Chain overview

Textile Mills

Garment Manufacturers

Cargo/FCL shipments to store

Store/Customers



Sourcing Calendar



August	September	October	November	December	January	February	March
Trend and Color							
	Design and Sampling						
		Buy					
			Production				
				Logistics			
						Set floor	

Seasonal Sales Goals

- Annual revenues (12 months, all stores): **\$1,447,000,000**
- Number of stores globally: **227**
- Annual per store, per year: **\$6,374,449.34**
- 6-month seasonal sales goal per store: **\$3,187,224.67**

Month	Percent %	Seasonal Sales \$	Monthly sales \$
February	8%	\$3,187,224.67	\$254,977.97
March	9%	\$3,187,224.67	\$286,850.22
April	15%	\$3,187,224.67	\$478,083.70
May	18%	\$3,187,224.67	\$573,700.44
June	20%	\$3,187,224.67	\$637,444.93
July	30%	\$3,187,224.67	\$956,167.40

SWOT Analysis



Strengths

- The athletic wear segment is growing between 30-55 Years old, Working women/moms with an active aspect to their life.
- Australia is also a believer of global free trade, finally agreed to free trade agreements known as FTAs (Legal Team Australia, 2021, p.3).

Weaknesses

- More than 15+ athleisure brands that are local to Australia.
- Customers' loyalty will be tested, staying loyal to their local brands, or if they want to try new ones such as Athleta.
- No unisex or male options, which could be another big market in Australia.

Opportunities

- Wholesale relationships and worldwide expansion via franchise and company-owned stores are important steps toward the company's goal of reaching two billion dollars in net sales by 2023 (Athleta, 2021).
- In 2020, the company began virtual styling, and free one-on-one video chat sessions with a shop employee to assist. Helps customers spend up to three times as much as they would if they ordered online (Debter, 2020, p.12).

Threats

- There are competitors in the area, such as Lululemon, MC Activewear, New Balance, Nike, Adidas, Nagnata, Reebok, which can slow our business (Claire, 2021).
- With the rise of inflation, the cost of production and affects the business profitability.
- There have been some major storms, flooding the streets which could slow down business or prevent people from going into store.

Conclusion

- As a group we feel we could have been more confident in the start and practice more our Oral Skills Presentation.
- More communication between us and what each and everyone was doing while presenting beforehand could've also been something to improve
- We feel as this project made us grow and practice and learn how to work more efficient as a group

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