

KLAASY INC.

Management



KLAASY INCORPORATED

RECOMMENDATION REPORT

DECEMBER 2018

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Executive Summary

This report analyzes the decline of Victoria's Secret's sales and provides recommendations and strategies that should be implemented in order to improve sales.

After his transition to CEO, John Mehas requested new business insight and recommendations. Our team created and distributed a Qualtrics survey through various social media platforms. Our survey received 480 responses with 66% of the participants feeling that the quality does not meet the price, 33% feeling that there is a limited size range, and 31% not feeling represented by this brand.

Our survey results and research demonstrated that the top four problems are:

- Sizing options
- Inclusivity in marketing
- Style
- Quality

Based on the issues above, we have researched and outlined four recommendations for the company to follow in order to prevent further sale declines and succeed financially.

The report recommends the following actions for moving forward:

- Include sizing options for all body types
- Incorporate diverse models of all sizes and backgrounds
- Increase overall quality
- Create more trendy styles

Background

Victoria's Secret was once the embodiment of the sexy American woman. As times have changed, Victoria's Secrets definition of sexy is no longer relevant and they have suffered a decline in sales. The company's decline is due to their failure to keep up with new trends and accommodate to the size of the average American woman (Schlossberg, 2016).

According to a study conducted by *Wells Fargo*, 60% of women felt that the brand was "fake" (Mzezewa, 2018). An author from Business Insider writes that Victoria's Secret is a dying brand. She mentions the many problems Victoria's Secret is facing, especially the need for them to open up to the changing societal norm and to rethink their marketing strategy of skinny and sexy in order to keep up with their competitors (Schlossberg, 2016).

Despite the need for these changes, past CEO Ed Razek continues to insist the yearly lingerie demonstration show must remain a fantasy. Therefore, anyone who is not "perfect" in the eyes of the company will not be featured in marketing ads (Mzezewa, 2018). The problems extends beyond just marketing methods and lack of representation into lack of sizing options, quality, and style (Hanbury, 2018).

“*I believe they could do better in showcasing size ranges and more realistic models even though their brand is very specific to the models they show now*”

- Anonymous Response from KLAASY Inc. Survey

Throughout this report, we will discuss some key strategies that Victoria's Secret should implement in order to bring back the lost sales and improve future revenue of the company.

Recommendations

Include sizing options for all body types

- Millions of people wear bras and underwear everyday, however the current selection is very limited. We recommend extending the selection to offer a larger array of sizing options suitable for thin to plus size-wearing customers.
- For example in our survey one participant, when asked why they don't shop at Victoria's Secret, said "I am a cancer survivor with asymmetrical breasts". Victoria's Secret could create a program for breast cancer survivors where they can order a custom made bra online based on their personal measurements. Since no other companies offer this feature, this would be a good way to get ahead in the market.

Incorporate diverse models of all sizes and backgrounds.

- The once-held values of "stereotypical sexy supermodels" buying the lingerie no longer applies today. 60% of customers feel as though the company is "forced" and "fake" (Mzezewa, 2018). The branding needs to incorporate models of all different sizes and ethnicities in their advertisements and fashion shows to demonstrate inclusiveness. Brands who have started to embrace body positivity in their marketing campaigns have seen store and sales growth (Hanbury, 2018). They also need to include models with different disabilities and impairments so that all customers feel supported and welcomed.

Increase overall quality

- Through research, an overwhelming amount of complaints about the company is due to the lack of quality of their undergarments and clothes for the price. Ripped seams are a common problem after just a few wears (Hanbury, 2018). We advise that the brand incorporate a stronger quality control team, to improve the fabrication of articles.

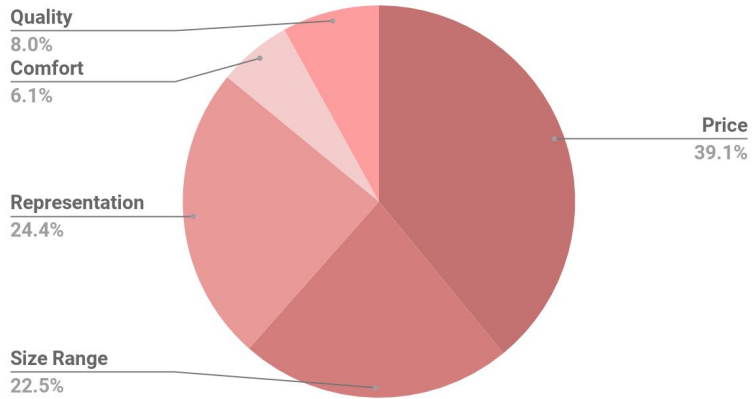
Create more trendy styles

- Failure to connect with contemporary customers and the changes in fashion has resulted in the drop of sales. We recommend adding additional stylistic options and trends as well. Instead of keeping the clothes sexy and feminine, consider broadening to styles lacking the pink and lace aspects (Hanbury, 2018).

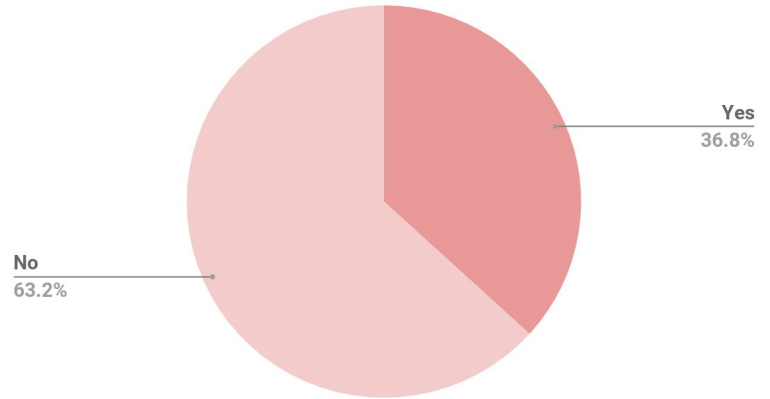
Appendix B

Survey Results

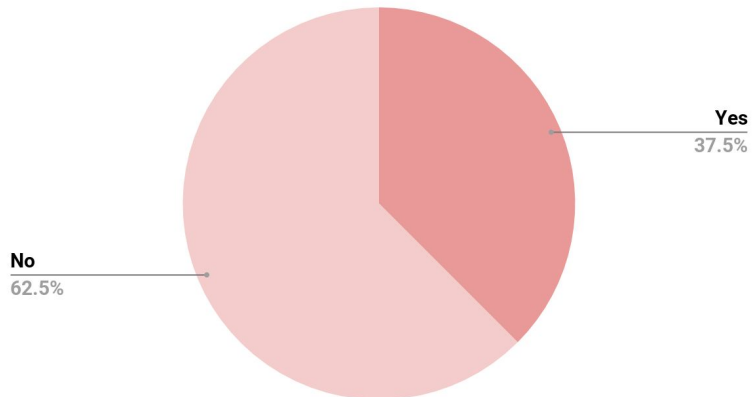
Qualities That Are Missing



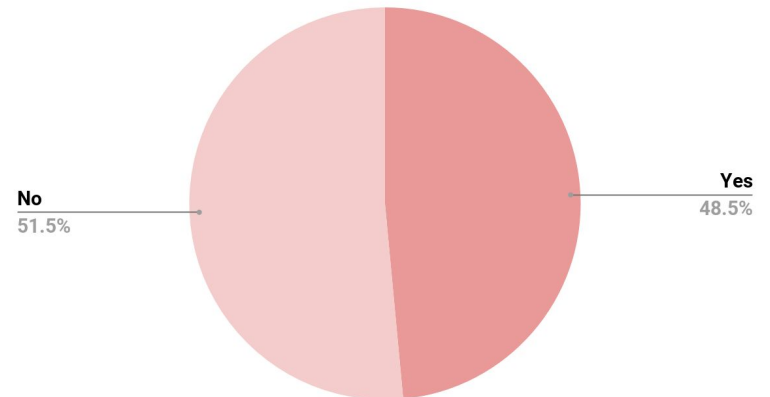
Do you feel Represented?



Are You Satisfied With the Fit?



Do You Shop at Victoria's Secret?



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