Semester Project
Final Report

571-KRR-04
FASHION INDUSTRY DATA: GATHERING AND ANALYSIS

by Yixuan Ma, Lihua Wang, Tao Ye
Presented to Mr. Eric Martineau

LaSalle College
April 24th, 2019

Table of Contents

<p align="center">**Final Report**</p>

<p align="center">**1. Situational Analysis**</p>

1.1 Company Analysis

The company we are working on is Miss Caprice. Miss Caprice is a handbag company based in Montreal. The company sells fashion bags, evening bags, and small accessories. The brand has a lot of collections including crossbody collection, handbag collection, night out collection, bridal collection, satchel collection, hobo collection, wallet collection, and scarf collection. The price of the products is reasonable and accessible, it ranges from $20 to $115.

Miss Caprice has many strengths. First, the company has existed for 15 years. It has a good reputation and loyal customers. Secondly, the company has a user-friendly, well-organized official website for computer and phone. Thirdly, the company is doing very well in social media marketing. They post frequently on Facebook and Instagram. They talk in a friendly and reliable way in the posts. They use hashtags, such as #shopmisscaprice and #misscapricehandbags. It helps to generate visibility and to monitor content effectively. Fourth, the products of the company are animal-friendly and designed with high-quality materials. Fifth, the company has a nice refund and exchange policy. If customers are not satisfied for any reason, they can return or exchange the item(s) within 30 days of the purchase date and get refunds back. Sixth, the company offers 24/7 customer service to help customers.

Miss Caprice is doing a good job and does not have many weaknesses. There are only two things that may be improved. First, some of the products on the official website don't have enough images to show product details. For example, there is no photo showing the inside of handbags and wallets. Secondly, there is no measurement information written on product pages. It is hard for consumers to know the exact size of a product. These things may make consumers hesitate to make the purchase.

Miss Caprice has a friendly trustworthy image and a good reputation in the industry and among consumers because the brand has offered friendly customer service and high-quality products for many years. People trust the brand and its products. At the same time, Miss Caprice is aware of its social responsibility. All of the products are animal-friendly. Besides, the products are designed in Montreal, which helps to support the local economy.

In the competition, Miss Caprice has its own competitive advantages and weaknesses. For the competitive advantages, first, since the brand is highly focusing on online handbag shopping, they know about online shopping better than other companies. They have experience in this field and they know what are the online strategies that work for them. Secondly, the company is strong at social media marketing and is doing a better job than its competitors. Thirdly, their customer service exceptional. It is more friendly and reacts more quickly compared to its competitors. Fourth, the handbags stand out from the rest. Fifth, the price of their products is very affordable and highly competitive among competitors. However, Miss Caprice also has some competitive weaknesses. Comparing to its competitors, they don't have many sponsored advertising posts. Therefore, they may not be able to remind existing consumers and attract new consumers as well as other companies.

Miss Caprice does not do campaigns often. In 2019, on Instagram, they cooperated with @venicemtl on Valentine's day to give free giveaway gifts. The post got 90 likes and 51 comments. It worked as advertising but the budget was the giveaway gifts. In addition, all of their Instagram and Facebook posts work well as advertisements for its followers. These posts use lifestyle images and product images to build connections with followers.

1.2 Consumer Analysis

The current consumers of the company are young fashion followers. They are female between the age of 15 to 28. Most of them are single or in a relationship. They are students or young professionals. They are mainly from the middle class.

The consumers stay with Miss Caprice because they like its products and its concept. They are satisfied with the design, the quality, and they agree with the lifestyle and values shown on the social media platforms and on the website.

These consumers are emotional buyers. Their purchase mainly based upon feelings. They are very likely to purchase because of diversion, sensory stimulation, self-gratification, peer group attractions, status needs and being with others with similar interests. In addition, their purchases are relatively easily influenced by sales and discounts.

In addition, Miss Caprice sells to shoe stores, duty free stores, clothing stores, gift shops. They are very rational. They like that Miss Caprice is straightforward and back up products.

1.3 Competition Analysis

The major competitors of Miss Caprice are COLAB, MATT & NAT, and Call It Spring.

One of the main competitors in Montreal is COLAB. They offer bags that are designed in Montreal and go well with everyday life. Their products add positive and cheerful energy to those who carry them. In addition, they source the best materials when designing products, and the production process is responsible and ethical. Their slogan is simple – "we care about you." Their marketing program is similar to Miss Caprice. They focus on online selling and social media marketing. They use Facebook and Instagram to post product images, lifestyle images, and to interact with consumers.

One of the main vegan competitors is MATT & NAT, which is a handbag company found in Montreal. They sell cruelty-free vegan leather products including handbags, footwear, and accessories. Their products are sustainable, eco-friendly, and can be recycled. Their motto is "Live beautifully." Their values include social responsibility, excellence, inclusiveness, integrity, learning, authenticity, and love. They have both offline and online marketing programs. They use Facebook, Instagram, and Twitter to post product images, lifestyle images, and to interact with consumers. They feature all their campaigns and sales on their social media platforms, which help to generate visibilities. They also have advertising in print as posters and in magazines.

One of the main international competitors is Call It Spring, which is a handbag, accessories, and footwear brand under Aldo Group. They offer accessible fashionable collections that help consumers to show their individuality. They are playful, unique and never predictable. Their slogan is "You call it love, we Call It Spring." They have both offline and online marketing programs. They are working more on social media marketing. Similar to Miss Caprice, they use Facebook, Instagram, and Twitter to post product images, lifestyle images, and to interact with consumers. However, although they often have campaigns in-store and online, they don't feature that on their social media platforms.

1.4 Industry Analysis

Miss Caprice is in the Handbag, Luggage and Accessory Stores industry. Since it only sells online, it is in the E-commerce and Online Auctions industry as well. The relevant trends are as follows:

1. Over 2018-2022, Canada is forecasted to see the highest leap in its Digital Consumer Index. In 2021, it will rank sixth among 50 countries worldwide for which this index is calculated, up from 14th place in 2017. (Passport Euromonitor International. *Digital Consumer in Canada*; 2018)

2. The E-commerce and Online industry in Canada will continue to grow. From 2013 to 2018, the industry revenue increased at an annualized rate of 20.5% to $8 billion. The revenue is expected to rise at an

annualized rate of 8.5% to $12 billion over the five years to 2023. (IBISWorld in accordance with their licence agreement with IBISWorld. *IBISWorld Industry Report 45411ACA E-Commerce - Online Auctions in Canada Industry Report*; 2019)

3. Over the forecast period, smartphone ownership and its share in online purchases will grow. In 2022, 84% of households will possess at least one smartphone, up from 67% in 2017.In 2022, mobile purchases will constitute almost a half of all remote purchases and will bring a quarter of remote value, up from 26% and 17%, respectively, in 2017. (Passport Euromonitor International. *Digital Consumer in Canada*; 2018)

4. Instagram Shopping is widely used for business purpose. In 2019, there are more than 25 million business profiles on Instagram Shopping worldwide. More than 2 million advertisers worldwide use Instagram to share their stories and drive business results. (Instagram. *Instagram for Business*. <https://business.instagram.com/getting-started>; 2019)

5. In 2019, 90 million Instagrammers tap on a shopping post to learn more about products every month. 60% of people say they discover new products on Instagram. More than 200 million Instagrammers visit at least one business profile daily. (Instagram. *Instagram for Business*. <https://business.instagram.com/getting-started>; 2019)

(See all the related trends in Appendices, *Logbook 1*)

In addition, during the interview with Miss Melanie, the owner of Miss Caprice, she mentioned the following trends in the industry:

1. "Internet is booming. Many stores (small independent stores as well as large chain stores) are closing and mainly focusing on online shopping. It's a major change, because the «client experience» that we all know, has to be re-created in a non-physical environment, as known as, online."

2. "Since brands will sell an item without the physical aspect, they are just going to build a whole image, story, and lifestyle to an object. It is not just a bag or a top, it is a feeling, a confidence, a statement. "

(See the whole interview in Appendices, *Logbook 2*)

According to the trends in the industry and the analysis report, *How to Use Instagram Shopping To Increase Sales For Your Business* from Smart Business Trends, it is obvious that Instagram Shopping is a huge opportunity for e-commerce brands who want to boost sales. Studies show that 65% of the best-performing posts on Instagram used Instagram Shopping and feature products. International businesses who have used Instagram shopping are having an increase in sales.

The report says that Instagram Shopping will change the way consumers shop for products and make purchases because it enhances the user experience, provides more content opportunities, and captures mobile users. The earlier a business introduces its customers to mobile purchases through Instagram, the faster the customers will consistently make mobile purchases from the business a habit.

According to the report *Shopping on Instagram Results Are In: Brands Report +1,416% Traffic, +20% Revenue* by Tracey Wallace published on BigCommerce, Instagram Shopping increases traffic and sales for businesses. More than 50 brands have been using Shopping on Instagram since before it's Fall 2017 release and have benefited a lot from it.

For example, Natori started using Instagram Shopping since before it's Fall 2017 release. It is a company offering sleepwear, bags, and small accessories. Their number of posts with tagged products at the time of writing was 61. In two weeks, they had a 1,416% increase in traffic from Instagram and a 100% increase in sales from Instagram. President for The Natori Company, Ken Natori, said: "In just a few short weeks of using the new shopping features on Instagram, we've seen a 100 percent increase in revenue from the channel and a massive 1,416% increase in Instagram referral traffic to our website. Instagram has played a major role in helping us build a brand, and we love how the new shopping features allow us to easily showcase our products in a way that feels authentic to the community we've built."

As another example, Magnolia Boutique also started using Instagram Shopping since before it's Fall 2017 release. It is an American online boutique offering womenswear including handbags. Their target market and price range are similar to Miss Caprice. Their number of posts with tagged products at the time of writing was 117. They had a 4% increase in traffic from Instagram and a 20% increase in sales from Instagram. The representative of Magnolia Boutique, Susan DelPriore, said: "I'd recommend Instagram Shopping to other online brands. It makes shopping easier for our Instagram fans. We get many questions from people asking how to shop our items, and this makes that process easier."

The handbag, luggage, and accessory industry in Canada had $1.1 billion revenue and $62.5 million profit in 2018. From 2013 to 2018, it had an annual growth rate of 0.6%. From 2018 to 2023, it is predicted to have an annual growth rate of -0.7%. In the market, women's accessories is 35% of the segmentation. Luggage, suitcases, and briefcases is 25.2% of the segmentation. The market share concentration in this industry is medium. Miss Caprice, its competitors (COLAB, Call It Spring, and Matt&Nat), and other brands in the industry, except Michael Kors Holdings Limited and Bentley Leathers Inc., are occupying 70.1% of the market share. (IBISWorld in accordance with their licence agreement with IBISWorld. *IBISWorld Industry Report 44832CA Handbag, Luggage & Accessory Stores in Canada*. 2018)

E-commerce and online auctions in Canada had $8.0 billion revenue and $661.0 million profit in 2018. From 2013 to 2018, it had an annual growth rate of 20.5%. From 2018 to 2023, it is predicted to have an annual growth rate of 8.5%. In the market, apparel and accessories is 21.2% of the segmentation. The market share concentration in this industry is medium. Miss Caprice, its competitors, and other brands in the industry, except Walmart Inc., Costco Wholesale Canada Ltd., and Amazon.com Inc., are occupying 14.8% of the market share. (IBISWorld in accordance with their licence agreement with IBISWorld. *IBISWorld Industry Report 45411ACA E-Commerce - Online Auctions in Canada Industry Report*; 2018)

3. Research Problems and Background Information Conclusion

Based on the trends in the market and secondary data, we would suggest Miss Caprice offer Instagram shopping to affect young fashion followers to increase sales in the next three months. The hypothesis is Instagram Shopping can lead to an increase in sales. The related research problems are as follows. First, the more consumers like to use Instagram to find new products, the more likely they buy from the brand via Instagram Shopping. Secondly, the more often people click on Instagram posts with "tap to shop" feature, the more likely they buy from a brand via Instagram Shopping. Thirdly, the more people enjoy using the Instagram shopping feature to acquire product information, the more they would buy from brands via Instagram Shopping.

This suggestion can be supported by statistics from Instagram Official. In 2019, there is a continuous growth in the number of Instagrammers purchase with Instagram Shopping. 60% of Instagrammers discover new products on Instagram with the help of Instagram Shopping. 90 million accounts on Instagram tap on a shopping post to learn more about products every month. Over a third of Instagrammers have used their mobile to purchase a product online, which is 70% more likely to do so compared to people who don't use Instagram. (Instagram. *Instagram for Business*. <https://business.instagram.com/getting-started>; 2019)

This suggestion is also supported by secondary data as mentioned before. In the analysis report, *How to Use Instagram Shopping To Increase Sales For Your Business* from Smart Business Trends, it says that Instagram Shopping is a huge opportunity for e-commerce brands who want to boost sales because of its unique characteristics and its convenience. According to the report *Shopping on Instagram Results Are In: Brands Report +1,416% Traffic, +20% Revenue* by Tracey Wallace published, Instagram Shopping can increase both traffic and sales for businesses.

For Miss Caprice, there is already a number of followers and loyal fans who keep checking its Instagram posts. If Miss Caprice adds Instagram Shopping to its posts, these consumers will have a greater opportunity to connect

with the brand and its products by simply clicking on the button. They will be able to directly see relevant product information and images. They can also directly add the product to cart and checkout. The whole process will be user-friendly, efficient, and fast—consumers don't even need to leave the Instagram app.

4. Research Methodology

There are lots of research methods to generate information. In order to find the most efficient and effective way, we analyzed the following methods and made our choices.

Focus group is one of the popular research methods. It is a forum for combining the knowledge of marketing specialists and the moderator. It is an initial hearing of and reaction to the moderator's top-of-mind perceptions. It is good for idea generation, brainstorming, understanding customer vocabulary. It provides insight into motives, attitudes, perceptions. It can reveal needs, likes, dislikes driven by emotions. However, "Hip-shooting commentary" and individuals with a strong desire to express can bias the result. Moderator is not able to hear all that was said in a less than highly involved and anxious state. The result is easily be influenced by recency, selective recall, and other factors associated with limited memory capabilities. All of these factors can cause bias in the future analysis. Comparing to personal interviews, the answers from focus groups are shallower and it takes more time to generate. Due to all these factors, we chose not to do focus groups.

In order to better understand Miss Caprice as a business and its expectations, the method we chose to use is a personal interview. We did an interview with Miss Melanie Sara who is the owner of Miss Caprice. It was a qualitative research. It was a good method because the focus was on her, personalized attention was given, and she could be forthright. It probed elicit detailed answers and uncover underlying information. We talked about the owner herself, the industry, the business, and proposed our strategy at last. We found that our ideas and strategy are highly aligned with the owner's mind. It helped to make us have a deeper understanding of the business, make sure that our strategy is effective and coherent with the mission statement. (See the whole interview in Appendices, *Logbook 2*)

In addition, we did an online survey with Google Forms to predict how the target audience would respond to our strategy, to find correlations, and to solve the marketing research problems. It was a quantitative research. The

survey included fifty-two questions. It could be done within eight minutes. It was convenient, efficient, and time-saving for us to make and for respondents to answer. We generated answers from more than 150 respondents. With the use of online Google Forms, we could easily turn answers into measurable numerical data, managed them, and came up with charts for further analysis. In our survey, first, we asked about consumers' information search process including the recall of business and recall of action. Secondly, we asked about the attributes of the strategy and the attributes of the brand to see the perceived fit and correlations. Thirdly, we asked about the intent to see how are the purchase decisions. Finally, we asked about the demographics which helped to make sure the survey was answered by the right respondents. In our survey, we used a lot of nominal and interval scales. (See the survey questions in Appendices, *Survey Question List*; see the survey results in Appendices, *Survey Results*)

Instead of online surveys, we could have used telephone surveys or mail surveys. By using telephone surveys, we could have a personal touch with respondents and have good quality control. It may also lead to valuable brand-building benefits. By using mail surveys, respondents are less skeptical and answer the surveys more carefully. However, both of these methods are very time-consuming. Comparing to Google Forms online survey, they take a longer time to reach the respondents and take them more time to answer. Besides, they are inconvenient and time-consuming to manage answers and to turn the answers into data for further analysis. Due to all these factors, we decided not to do a telephone or a mail survey.

In conclusion, to make sure our strategy is realistic and effective to answer the research problems, we did a personal interview with the owner of Miss Caprice. In addition, we did a survey with Miss Caprice's target audience. The answers were convenient, accurate, and fast to generate. The research question and related research problems were adequately addressed by our survey.

5. Sampling Plan

For the online survey, we used non-probability sampling as our sampling method. The sample size is 150. We issued the survey link throughout our Facebook pages, Instagram account, and WeChat pages.

Our sample size is determined based on the professor's experience and recommendation, the level of accuracy we want to achieve, the budget and money we have to do the survey, and the sampling collection method. The sample size of 150 is sufficient enough to represent the population of interest.

We chose to use non-probability sampling method because of the following reasons. First, it cost less than probability samples. Secondly, it could be conducted more quickly than probability samples. Thirdly, it was executed in a reasonable manner and the results are reasonably representative of the whole population of interest.

The sampling strategy we used is convenience. It is a sample based on using people who are easily accessible, such as friends and classmates. We chose this strategy because it is the fastest and most efficient one among all the strategies. It allowed us to efficiently generate sufficient answers within a short period.

The last part of the survey, demographics, helped to identify the answers made by non-target audiences. We ignored the answers made by non-target audiences and only focused on the ones made by target audiences, who are young female fashion followers, to make sure the efficiency and accuracy of the results.

6. Data Anlaysis

In our survey, we used a lot of nominal and interval scales. We used nominal scales to collect classification type data. We asked questions such as yes or no questions including "Do you use Instagram?" and "Do you use Instagram?", and demographic questions including age, gender, educational level, occupation, income level, and marital status. We also used interval scales to collect data. We asked a lot of "Please rate the following statements" with regards to Miss Caprice and Instagram Shopping. Respondents could choose from "Strongly disagree", "Disagree", "neither agree or disagree", "agree", and "Strongly agree". We could see their level of agreement.

After generating sufficient answers from the survey, we transferred the answers into data. By analyzing these data, we find several correlations between consumers' information search and their intent, which help to solve the three research problems. In addition, we find some correlations between consumers' perception of Miss Caprice's attributes and Instagram Shopping's attributes.
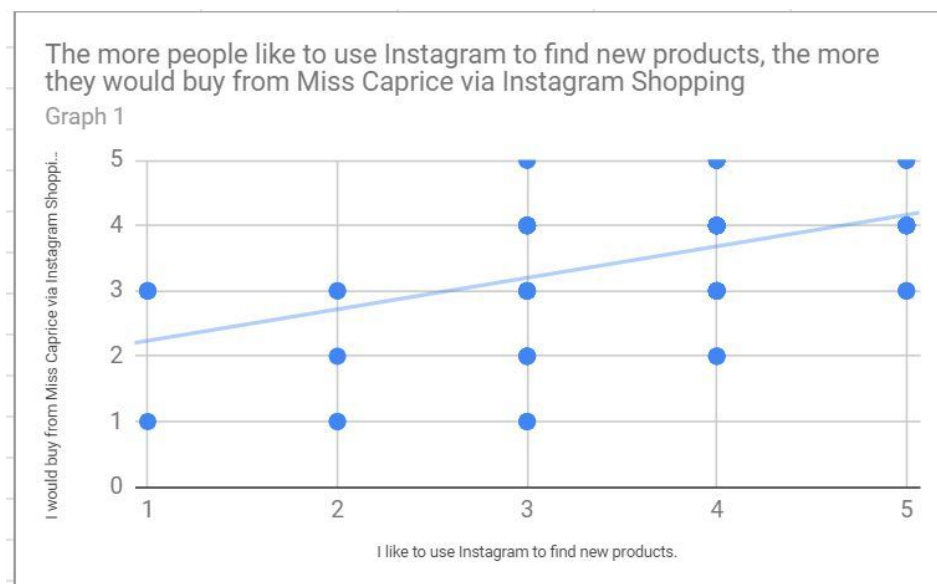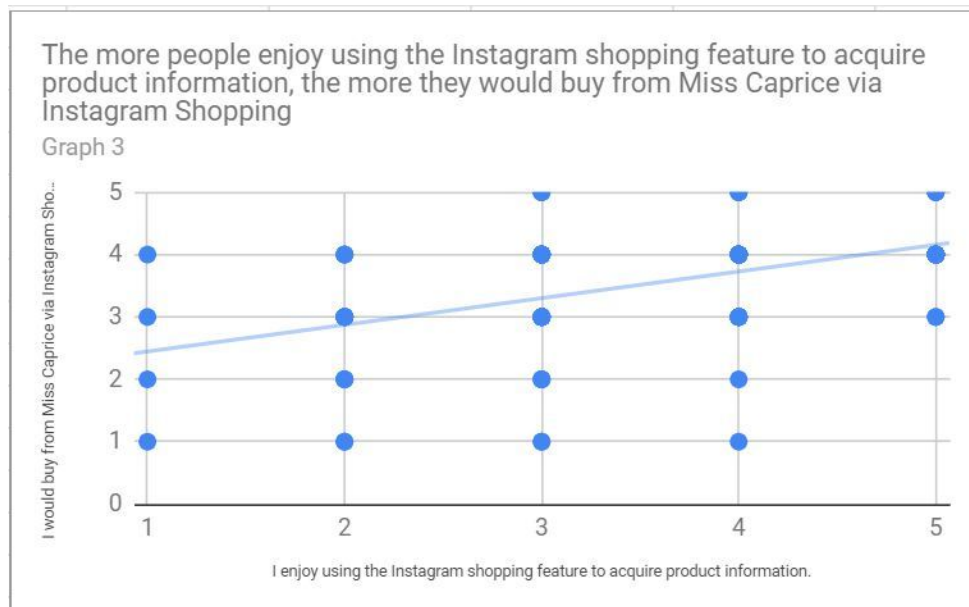

Graph 1 shows the comparison of the level of agreement of "I like to use Instagram to find new Products" with the level of agreement of "I would buy from Miss Caprice via Instagram Shopping". There is a positive

correlation between these two statements. It shows that the more people like to use Instagram to find new products, the more they would buy from Miss Caprice by Instagram Shopping. It gives a positive answer to the first research problem.

The more often people click on Instagram posts with "tap to shop" feature, the more they would buy from Miss Caprice via Instagram Shopping
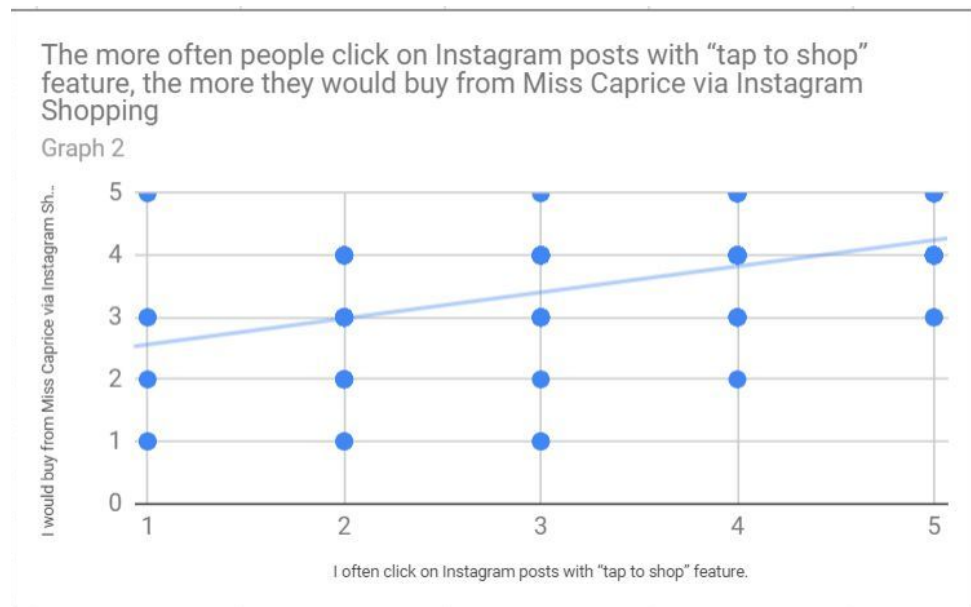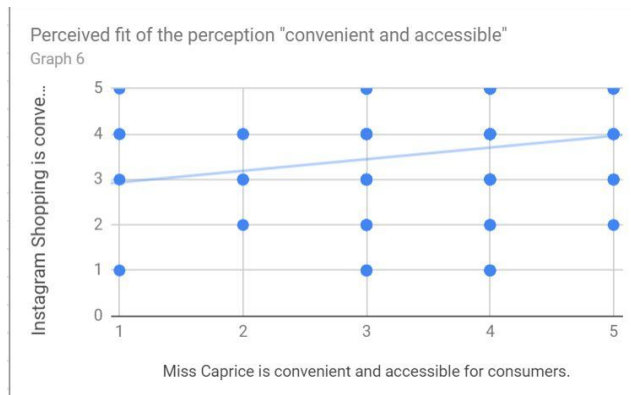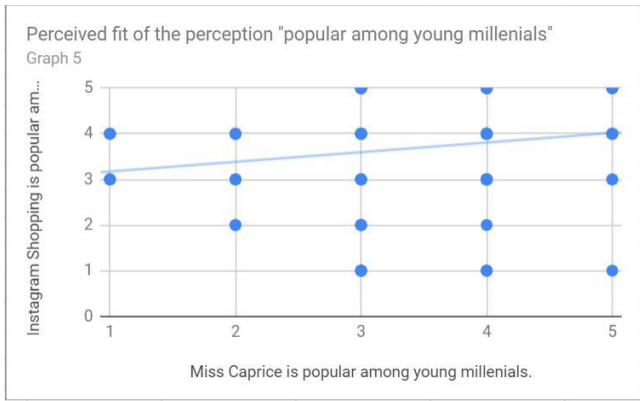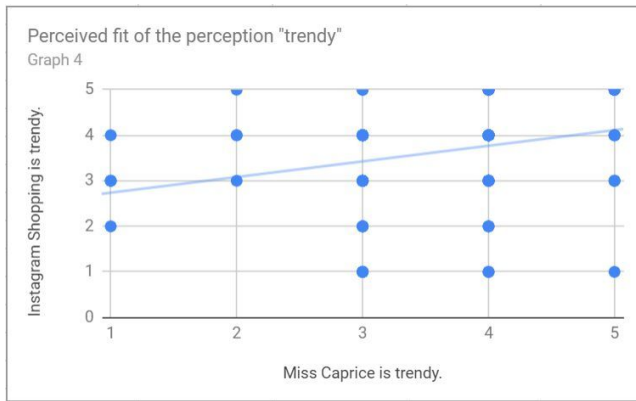
Graph 2

Graph 2 shows the comparison of the level of agreement of "I often click on Instagram posts with 'tap to shop' feature" with the level of agreement of "I would buy from Miss Caprice via Instagram Shopping". There is a close correlation between these two statements. It shows that the more often people click on Instagram posts with "tap to shop" feature, the more they would buy from Miss Caprice via Instagram Shopping. It gives a positive answer to the second research problem.

The more people enjoy using the Instagram shopping feature to acquire product information, the more they would buy from Miss Caprice via Instagram Shopping

Graph 3

Graph 3 shows the comparison of the level of agreement of "I enjoy using the Instagram shopping feature to acquire product information" with the level of agreement of "I would buy from Miss Caprice via Instagram Shopping". There is a good correlation between these two statements. It shows that the more people enjoy using the Instagram shopping feature to acquire product information, the more they would buy from Miss Caprice via Instagram Shopping. It gives a positive answer to the third research problem.

Since there are positive correlations between the use of Instagram Shopping and purchase intent and all three research problems are positively answered, the hypothesis of "Instagram Shopping can lead to an increase in sales" is confirmed.

At the same time, there is a perceived fit between the attributes of Miss Caprice and the attributes of Instagram Shopping. It also helps to confirm the hypothesis.

Perceived fit of the perception "trendy"
Graph 4

Perceived fit of the perception "popular among young millenials"
Graph 5

Perceived fit of the perception "convenient and accessible"
Graph 6

By looking at graph 4, 5, and 6, we can see that there are perceived fits between people's perceptions of the brand and of Instagram Shopping. People who think Miss Caprice is trendy also think Instagram Shopping is trendy. People who think Miss Caprice is popular among young millennials also think Instagram Shopping is popular among young millennials. People who think Miss Caprice is convenient and accessible also think Instagram Shopping is convenient and accessible. Therefore, if Miss Caprice starts to use Instagram Shopping to sell products, it will be easily accepted by the target market.

7. Conclusions

The hypothesis of "Instagram Shopping can lead to an increase in sales" is confirmed by the responses of the target market and by the analysis of data. The three related research problems are also positively proved by research data as mentioned above. First, the more consumers like to use Instagram to find new products, the more likely they buy from the brand via Instagram Shopping. Secondly, the more often people click on Instagram posts with "tap to shop" feature, the more likely they buy from a brand via Instagram Shopping. Thirdly, the more people enjoy using the Instagram shopping feature to acquire product information, the more they would buy from brands via Instagram Shopping. In conclusion, we would recommend Miss Caprice offer Instagram shopping to affect young fashion followers to increase sales in the next three months.

To be more specific about our recommendation, we would suggest Miss Caprice apply Instagram Shopping on Instagram posts featuring products. To set up Instagram Shopping, first, we need to make sure Miss Caprice is eligible for Instagram Shopping. We need to make sure that Miss Caprice complies with Instagram's commerce policies, its Instagram account is set up as a business profile, and the account is connected to a Facebook Page. Secondly, we need to connect Miss Caprice's Instagram business profile to a Facebook catalog. This can be done either with the use of Catalog Manager or a Facebook Partner. Thirdly, once the account and catalog are set up, Instagram will automatically turn to review to make sure everything is in order. Usually, the process takes a few days, but sometimes it can be longer. Then, we can create the first shopping post. Enable business settings for Shopping and start adding product tags and stickers to Instagram posts.

We are allowed to feature up to five products per image or video post, but we would recommend featuring no more than three products in each post. The frequency of adding Instagram Shopping to posts would be one out of three product posts. This frequency helps to make sure the strategy will work effectively and efficiently without overloading consumers. In addition, we would suggest Miss Caprice featuring its usage of Instagram Shopping

in its Instagram bio. It helps to inform consumers the purchases now can be made conveniently without leaving the Instagram app.

The limitation of our study would be the reliability issue since the sampling method is non-probability and the sample size is relatively small. There may be some small bias and the responses may not fully represent the overall population. It should be taken into consideration while making the marketing decision.

To solve this issue, we would recommend Miss Caprice to do the survey again with a larger sample to fully represent the population of interest. We would suggest to feature the survey on Miss Caprice's official website and social media accounts including Instagram and Facebook.

In addition, during the survey, the majority of respondents indicate that they do not know Miss Caprice. So, we would also suggest the brand to have more advertising, promotion, and campaigns on social media to build brand awareness among target consumers.

Appendices

Logbook 1

Our Business
Miss Caprice is a Montreal-based company selling bags, small leather goods, accessories, and bathing suits cover-ups. Products are available in a wide range of styles and colors at affordable prices. The main target audience is young female fashion followers, including students and young professionals.

Our Markets
Miss Caprice is in the Handbag, Luggage and Accessory Stores industry. Since it only sells online, it is in the E-commerce and Online Auctions industry as well.

SBU
Miss Caprice is one of three brands owned by Sayan. The owner of Sayan is also the owner of Miss Caprice, so there is a high degree of autonomy. In addition, the business is easy to adopt to new changes in the market if needed.

Competitive Advantages
1. Miss Caprice has a user-friendly, well-organized official website that reflects the brand identity in both computer and phone version.
2. Miss Caprice has a dynamic social media strategy. On their Facebook, Instagram, Twitter account, they talks in a friendly, natural, professional, and reliable way in the posts. Use centralized hashtag @misscapricehandbag, it was relevant, memorable and unique. It helps to monitor content more effectively.
3. Miss Caprice has a nice refund and exchange policy. If customers are not satisfied for any reason, they can return or exchange the item(s) within 30 days of the purchase date in its original condition and get refunds back.
4. Miss Caprice has exceptional 24/7 customer service support.
5. Miss Caprice online shop's products have attractive photos.
6. Miss Caprice focus on the online shop and have competitive prices.

Macro-environmental Trends
1. The growth of the E-commerce and Online Auctions industry in Canada will slow down. From 2013 to 2018, the industry revenue increased at an annualized rate of
20.5% to $8.0 billion. The revenue is expected to rise at an annualized rate of 8.5% to $12.1 billion over the five years to 2023.

2. The Handbag, Luggage and Accessory Stores industry in Canada has entered the declining stage. From 2013-2018, the annual growth of the industry was 0.6%. However, from 2018-2023, the annual growth of the industry is predicted to decline at an annualized rate of 0.7%, totaling $1.1 billion in 2023. Over the 10 years to 2023, the industry value added is forecast to decline at an annualized rate of 0.8%. Comparatively, overall GDP is anticipated to grow at an annualized rate of 1.9% during the same period. Contracting IVA amid a growing economy is highly indicative of an industry in its declining life cycle stage, reflecting its falling contribution to the overall economy.

3. The Handbag industry will continue to experience consolidation and exits. Over the five years to 2023, the number of industry establishments is anticipated to decline at an annualized rate of 0.4% to 2,248 locations. Many operators consolidate or exit the industry entirely. One of the largest leather goods operators in Canada, Danier Leather Inc., liquidated its assets and closed all 76 of its Canadian stores. The largest operator in the industry, Bently Leathers Inc., closed a quarter of its retail footprint. In contrast, E-Commerce and Online Auctions industry in Canada has experienced annualized enterprise growth of 14.8% during the same period.

4. In the Handbag industry, competition from high-end department stores is expected to intensify over the five years to 2023, as several high-end department stores have recently expanded their presence in the Canadian market. For example, Holt Renfrew has announced an investment of over $400.0 million to expand its retail footprint and renovate stores. Several luxury outlets such as Nordstrom have been opening new stores domestically.

5. Per capita disposable income is expected to increase from 2020 to 2023, which means consumers will have more money to purchase discretionary items, including industry goods. In 2020, the per capita disposable income is predicted to increase by approximately 2.2%. In 2023, the per capita disposable income is predicted to increase by approximately 2.8%.

6. The number of fixed broadband connections is expected to rise, posing a potential threat to the Handbag industry since it reflects a growing share of purchases and services conducted online, decreasing demand for traditional brick-and-mortar stores. In 2018, the number of fixed broadband connections was approximately 14.5 million. In 2024, the number of fixed broadband connections is predicted to be 17 million.

7. Over the five years to 2023, a slight slowdown in the rate of consumer spending will further complicate matters for industry establishments. During the five-year period, consumer spending is expected to increase at an annualized rate of 1.6%, which is slower than the previous period.

8. The level of domestic and international travel among Canadians largely drives demand for luggage. Over the five years to 2023, increases in spending power, alongside a slight appreciation in the Canadian dollar, will support a 1.4% annualized increase in international trips by Canadian residents. As Canadians travel more frequently, they will need to purchase luggage and travel accessories retailed at industry establishments, which will benefit the industry.

9. High levels of external competition from online retailers and mass merchandisers challenge the Handbag industry. As the percentage of sales taking place online continues to rise, competition from e-tailers and mass merchandisers will pressure demand for industry products, and revenue is forecast to decline at an annualized rate of 0.7% to $1.1 billion over the next five years.

10. The E-commerce industry will benefit from changes in consumer preferences. The number of fixed broadband connections is anticipated to grow an annualized 3.4% over the five years to 2023. The

number of mobile telephone subscriptions to grow similarly at an annualized rate of 3.6% during the outlook period.

Sources
1. *IBISWorld Industry Report 44832CA Handbag Luggage - Accessory Stores in Canada Industry Report*, by IBISWorld in accordance with their licence agreement with IBISWorld, 07 February 2019.
2. *IBISWorld Industry Report 45411ACA E-Commerce - Online Auctions in Canada Industry Report*, by IBISWorld in accordance with their licence agreement with IBISWorld, 07 February 2019.
3. *Digital Consumer in Canada*, September 2017.
4. Statistics Canada <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=2010000801>

Interview Question List

By asking these questions, we are able to see if our idea fits with the marketing strategy of the business, if our idea is feasible, and to complete the internal information about the business.

About the Person & the Business

1. **Why did you start Miss Caprice?**
   Well, I was in the film industry, I had my Casting Agency and was working on mostly American productions, in 2004, when the dollar came at par and Americans stopped coming here as much, I chose to do something a little more stable, I had worked in the Fashion industry with a famous handbag designer from Toronto so I had that experience and decided to try it out.

2. **How did you start Miss Caprice?**
   I went on a trip to China, visited factories, showrooms, and inquired on how to start my brand, got help from different people there and there it started.

3. **How the business has developed over the years?**
   The business grew and got known by retailers, the handbags perform well at the retail level and we were able to attract more and more retailers with time.
   We also have a list of prestigious clients which helped us.

4. **Why the business is called Miss Caprice?**
   I wanted a catchy and fun name that would help define me as a person ;)

5. **What do you enjoy doing in your business?**
   The best part of the business is developing the line. I love matching colors, hardware, visiting showrooms, seeing latest trends to get inspiration.

About the Industry

1. **Is there anything significant happened in the industry in the past ten years? How did it influence your business?**
   The web took over, our business took a hit because most of our retailers do not have online shops, so we had to adapt and finally create an online shop.

2. **What do you think will happen in the industry in the future? Will it change? Where the industry will go?**
   The fashion industry is constantly changing and I believe that is what makes it so fun for us: constant evolution, constant changes and most importantly, new challenges.

   Internet is booming, and as we can see, many stores (small independent stores as well as large chain stores) are closing and mainly focusing on online shopping. It's a major change, because the «client experience» that we all know, has to be re-created in a non-physical environment, aka, online.

   Trying to sell an item without the physical aspect (touching, feeling the fabric etc.), is a challenge by itself, but imagine having to give a «personality» to it, building a whole image/lifestyle to an object is a lot of work.

Brands are just going to continue building a story around an object. It is not just a bag or a top, it is a feeling, a confidence, a statement.

3. **How you will react to these changes?**
   If there is one word that comes to mind, it is ADAPTATION.
   As a brand, you have to follow trends, and not just in terms of collections and patterns, but in terms of adapting to your buyer's needs.

   But we always have to be careful; trends are not applied to every customer, which is why it is insanely important to know your target market. For example: if your target market is between the age of 45 to 60, online shopping might not be the best option. On the other hand, if I have a younger clientele, online shopping is a must!

   As the president of a brand, you always have to react fast to any kind of changes in the industry/ fashion world, not only in terms of «shopping habits», but with law changes, weather changes, price changes. EVERYTHING can have an impact on your brand, so you always have to be ready to adapt to the situation before it gets to you, no matter what.

About the Business

1. **How do you think Miss Caprice has been performing over the past few years?**
   Miss Caprice has evolved immensely because we are adapting to the times and have a social media presence, an online shop and influencers. We were able to survive as a small company because our handbags stand out from the rest, we have exceptional customer service, and our clients satisfaction is important to us.

2. **Why did you decide to focus on online selling? Does it work?**
   Because of ADAPTATION.

   I cannot say it enough. Since I do not have a Miss Caprice retail boutique (we are wholesalers), online shopping was my way to be in direct contact with my clients. It is a new way to reach them, show them the latest collections and giving them the possibility to purchase them immediately threw me. In this situation, I have total control on «client experience», I make sure their online experience is on top as well as the service that they receive during and after receiving the product. Being able to keep track of your client satisfaction is really important, it determines if a person will immediate think about you when it comes to handbags, or if they will completely hate your brand. Plus, good experience equals good reviews, the more you like a brand the more you are going to talk about it to your entourage. The same applies to a bad experience, which is why, follow-ups are a major aspect to pay attention too.

   We have not been online for a long time, but we keep evolving every day. We keep checking latest trends, we take constructive criticism, you cannot grow as a brand is you do not listen to what people have to say about you. ''Is the page to slow to charge? Do the images project the bags in way that would encourage someone to buy?''

   We are very excited with our website launch and we cannot wait to see the results of our hard work.

3. **Who are your loyal clients? What do your loyal clients like about you?**
   Shoe stores, Duty free stores, Clothing stores, Gift shops.

They like that we are straightforward and back up our products.

4. **How do you get new clients? / How do you plan to expand?**
   We have sales reps on the road across Canada, we do trade shows..
   Lately, we have had direct contact with consumers via our website, through ads, Facebook and Instagram.

About the Strategy
   Are you comfortable with offering Instagram shopping to affect young fashion followers to increase sales in the next three months?
   Yes, I am. Give me more information about it.

<h1>Survey Question List</h1>

<h2>Section 1 - Information Search questions</h2>

Do you use Instagram? Yes / No

1. I enjoy using Instagram. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

2. I like to use Instagram to find new products. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

3. I follow brands I like on Instagram. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

4. I look at the posts of brands I follow. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

5. Posts of the brands that I follow have an influence on my purchase decision. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

6. I think it is important for fashion brands to post on Instagram regularly. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

7. I often click on Instagram posts with "tap to shop" feature. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

8. I think Instagram Shopping is more convenient than shopping from physical stores. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

9. I buy handbags or accessories online. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

10. I enjoy using the Instagram shopping feature to acquire product information. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

11. I enjoy using the Instagram shopping feature for the actual purchase. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

12. I have positive experiences doing my purchase on Instagram before. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

13. I value comments of the posts from consumers before I make purchases on Instagram. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

14. Among all the social media platforms, I use Instagram most often to buy products online. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

<h2>Section 2 - Evaluation of Alternative (Attributes)</h2>

Do you know Miss Caprice?

(If no, then show the folowing introduction and images)

Miss Caprice a handbag company based in Montreal. The company sells fashion bags, evening bags, and small accessories. Miss Caprice is classy, whimsical and fashion forward. It products are sure to liven up any outfit and mood. The price of products ranges from $20 to $115.

1. Miss Caprice is trendy. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
2. Miss Caprice is out-dated. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
3. Miss Caprice is fun. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
4. Miss Caprice is affordable. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
5. Miss Caprice is classy. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
6. Miss Caprice is customer-friendly. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
7. Miss Caprice's products represent a specific lifestyle. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
8. Miss Caprice is popular among young millenials. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
9. Miss Caprice is convenient and accessible for consumers. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
10. Miss Caprice is boring. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
11. Miss Caprice is caring. To what extent do you agree with this statement?(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
12. Miss Caprice is constantly evolving. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

13. Instagram Shopping is trendy. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
14. Instagram Shopping is out-dated. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
15. Instagram Shopping is fun. To what extent do you agree with this statement?
    (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
16. Instagram Shopping is affordable. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
17. Instagram Shopping is classy. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

18. Instagram Shopping is user-friendly. To what extent do you agree with this statement? (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
19. Instagram Shopping has became a lifestyle. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
20. Instagram Shopping is popular among young millenials. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
21. Instagram Shopping is convenient and accessible for consumers. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
22. Instagram Shopping is boring. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
23. Instagram Shopping is caring. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
24. Instagram Shopping is constantly evolving. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

Section 3 - Purchase questions
1. I would consider Miss Caprice and its Instagram Shopping feature. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
2. I would buy from Miss Caprice via Instagram Shopping. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)
3. I would recommend Miss Caprice and its Instagram Shopping to my friends. To what extent do you agree with this statement?
(Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

Section 4 - demographics
1. How did you find out about this survey?
Facebook post
Instagram post
Wechat post
Other sources
2. What is your gender?
Female   Male   Other
3. How old are you?
under 15, 15-28, 29-41, 42 or over
4. What is your education level?
Primary Education
Secondary Education
Colleges/universities
Above university degree
5. How do you work?
I don't work.
I do a part-time job.
I have more than one part-time jobs.
I work full time.

6. What is your personal income level per year (before tax)?
   <$30,000
   $30,000-$40,000
   $40,000-$50,000
   $50,000-$60,000
   >$60,000
7. What field are you working in?
   Arts,Culture & Entertainment
   Social Impact/Community Service
   Business
   Architecture, Planning & Environmental Design
   Others
8. What is your marital status?
   Married, single, divorced, widowed
9. I spend the most on handbag and accessory while online shopping. To what extent do you agree with this statement?
   (Strongly disagree - disagree - neither agree or disagree - agree - Strongly agree)

Do you use Instagram?

153 responses

- Yes
- No

30.1%

69.9%
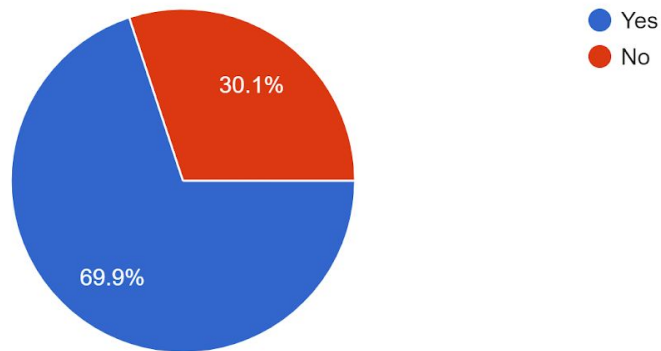
Please rate the following statements with regards to Instagram Shopping.

Do you know Miss Caprice?

153 responses

- Yes
- No

79.7%

20.3%
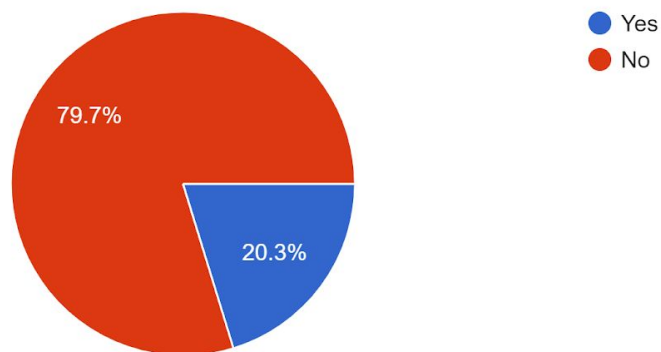
About Instagram

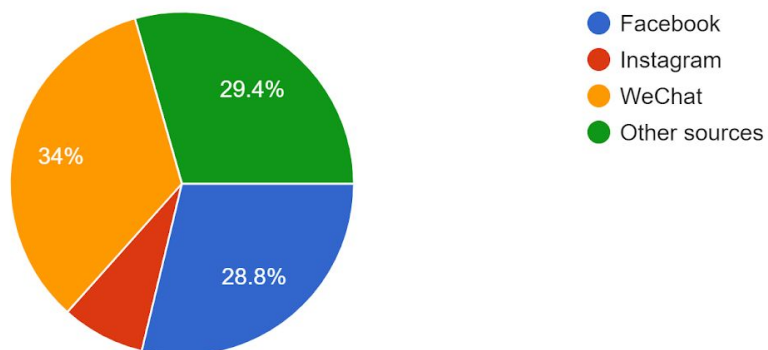Please rate the following statements with regards to Miss Caprice and Instagram Shopping.
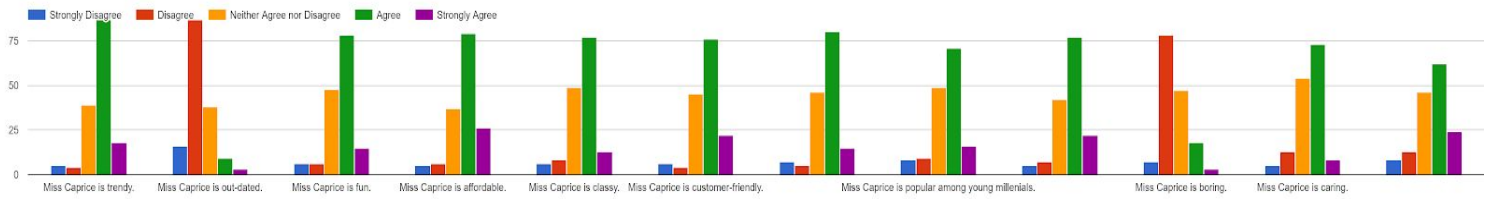
About Purchasing

Please rate the following statements with regards to your purchase decision.
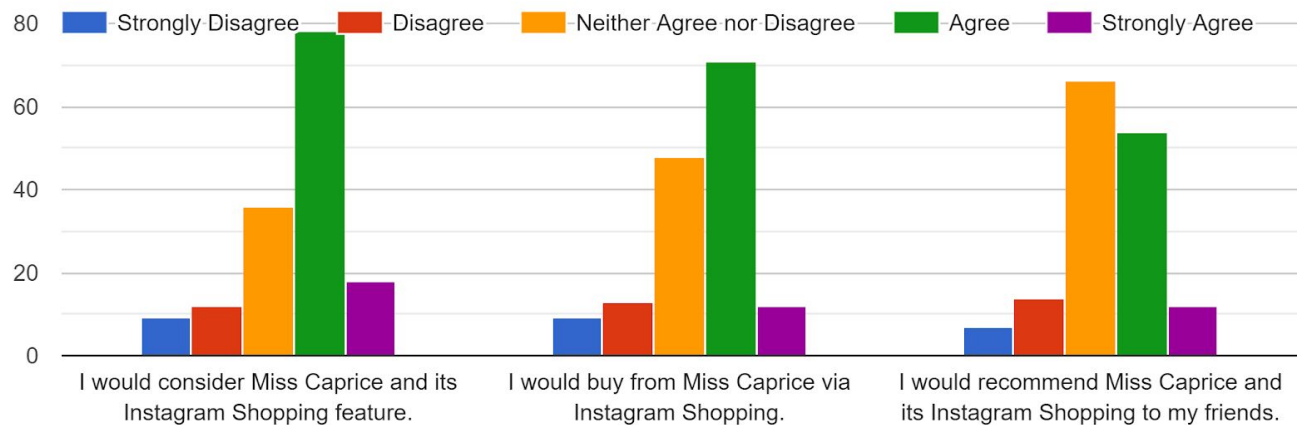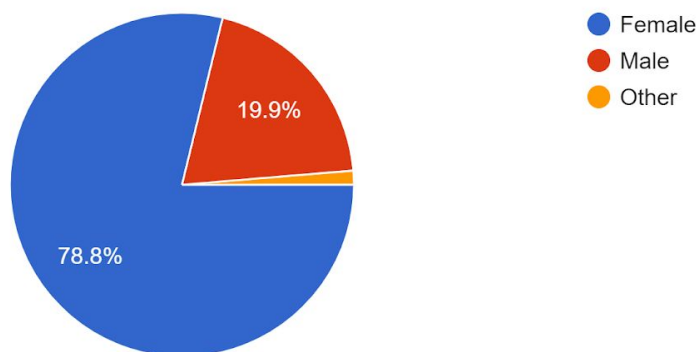
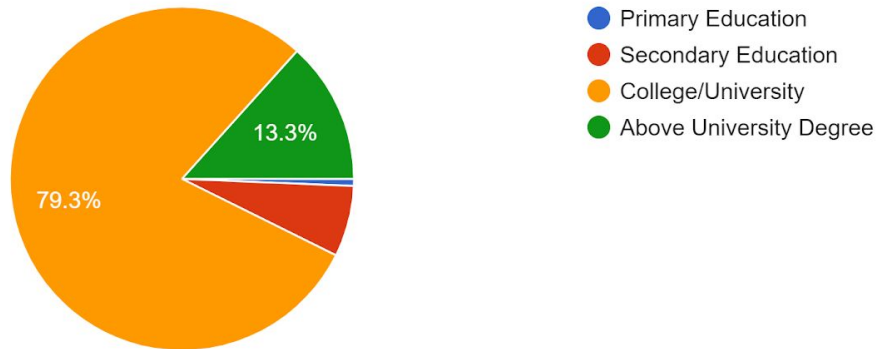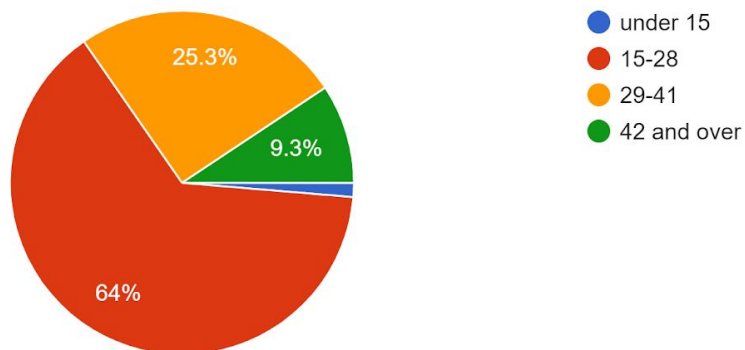# How did you find out about this survey?
153 responses

- Facebook
- Instagram
- WeChat
- Other sources

29.4%
34%
28.8%

What is your gender?
151 responses

- Female
- Male
- Other

19.9%
78.8%
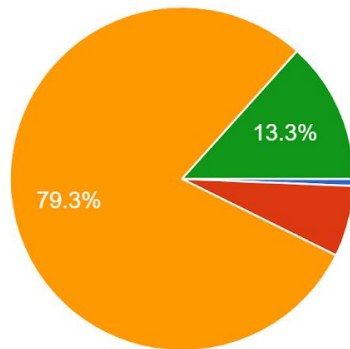
What is your education level?

150 responses

- Primary Education
- Secondary Education
- College/University
- Above University Degree

13.3%
79.3%

How old are you?

150 responses

- under 15
- 15-28
- 29-41
- 42 and over
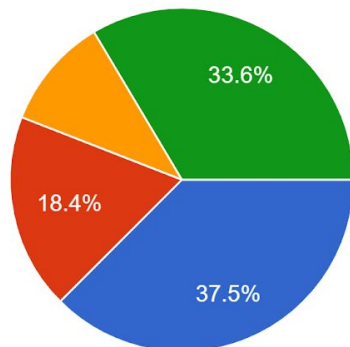
25.3%
9.3%
64%

What is your education level?
150 responses

- Primary Education
- Secondary Education
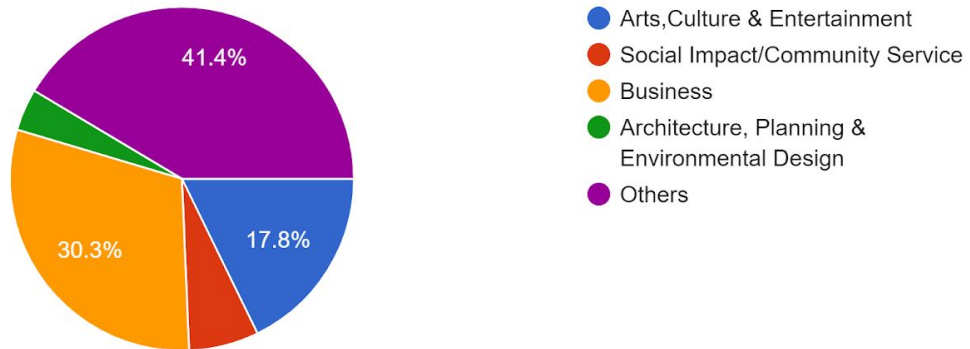- College/University
- Above University Degree

79.3% 13.3%

How do you work?
152 responses

- I don't work.
- I do a part-time job.
- I have more than one part-time jobs.
- I work full time.

33.6% 18.4% 37.5%
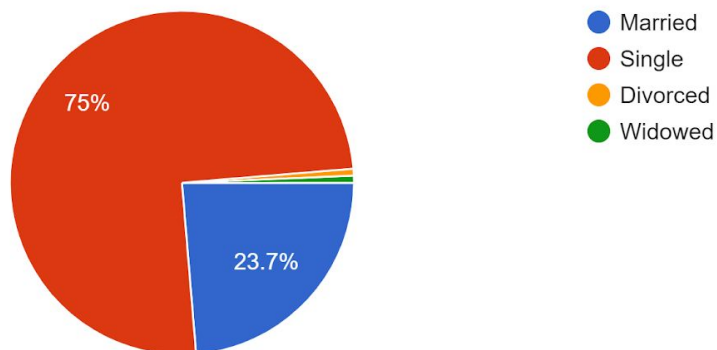
What field are you working in?

152 responses

- ● Arts,Culture & Entertainment
- ● Social Impact/Community Service
- ● Business
- ● Architecture, Planning & Environmental Design
- ● Others

41.4%

30.3%

17.8%

What is your marital status?

152 responses

- ● Married
- ● Single
- ● Divorced
- ● Widowed

75%

23.7%

References

IBISWorld in accordance with their licence agreement with IBISWorld. *IBISWorld Industry Report 45411ACA E-Commerce - Online Auctions in Canada Industry Report*; 2018.

IBISWorld in accordance with their licence agreement with IBISWorld. *IBISWorld Industry Report 44832CA Handbag, Luggage & Accessory Stores in Canada*. 2018

Instagram. *Instagram for Business*. <https://business.instagram.com/getting-started>; 2019.

Megan Okonsky. Smart Business Trends. *How to Use Instagram Shopping To Increase Sales For Your Business.* <http://smartbusinesstrends.com/how-to-use-instagram-shopping/>; 2018.

Passport Euromonitor International. *Digital Consumer in Canada*; 2018.

Tracey Wallace. BigCommerce. *Shopping on Instagram Results Are In: Brands Report +1,416% Traffic, +20% Revenue*. <https://www.bigcommerce.com/blog/instagram-shopping/#instagram-shoppable-posts-increased-traffic-1416 >; 2018.