



A STUDY ON CHILDREN'S WEAR IN CHINA
BASED ON G CLOTHING COMPANY

BY
XIN QUO

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)
SOUTHEAST ASIA UNIVERSITY
ACADEMIC YEAR 2022
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Clothing Company

Author Xin Quo

Program Master of Business Administration (International Program)

Advisor(s) Assoc.Prof. Napaporn Khantanapha, Ph.D.

Graduate School, Southeast Asia University, was approved as partial fulfillment of the requirements for the degree of Master of Business Administration. (International Program)

..... Dean, Graduate School
(Puttithorn Jirayus, Ph.D.)

.....Director, Master of Business Administration
(Assoc.Prof. Napaporn Khantanapha, Ph.D.) (International Program)

Independent Study Committees

..... Chairman, Independent Study Committees
(Assoc.Prof. Thanakorn Thanathanchuchot, Ph.D.)

..... Committee
(Arphaporn Jongwiriyaenchai, Ph.D.)

..... Advisor
(Assoc.Prof. Napaporn Khantanapha, Ph.D.)

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Abstract

This study aim to study Children's Wear of G Clothing Company in China. This study were qualitative methodology via in-depth interview, and content analysis. The study found that: 1) Market Segmentation divided into infant clothing (0-3 years old), small children's clothing (4-6 years old), medium children's clothing (7-12 years old) and large children's clothing (13-16 years old), target market focus on the knitted clothing series of children aged 0-12 years old, basically covering the clothing of all seasons. Positioning high-end children's wear market and creating a high-end knitted children's wear brand and relies on the manufacturing resources of the original knitting factory is establish its own brand, product strategy use environment-friendly and high-tech materials in clothing fabrics and materials. 2) Management conduct training for employees from two levels: first, at the company level, the general manager assistant will organize all staff to participate in the relevant training to strengthen the corporate culture and cohesion; second, at the department level. the operation mode of this project will be "offline direct stores online flagship stores and franchise stores". 3) financial project for 5 years of Children's Wear of G Clothing Company were initial investment 7,000,000 Yuan, NPV =17,130,700 Yuan, IRR = 37%, Pay black Period = 3 years and ROI average per year = 48.94 % respectively

Keywords: Children's wear of G clothing, China

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Xin Quo

Table of Contents

Abstract.....	IV
Acknowledgement.....	V
Table of Contents.....	VI
Section 1 Introduction	1
Section 2 Marketing Plan	19
Section 3 Management Operations Plan.....	37
Section 4 Financial Projections.....	42
Section 5 Conclusion and Discussion.....	42
References.....	43
Biography	44

Section 1

Introduction

1.1 Company Description

The factory of G Garment Co., Ltd. is in Guangdong and was founded by my uncle in 2008. It is a small, limited liability company with about 100 employees. My uncle acts as the legal representative of the company. G Garment Company has mainly produced all kinds of knitted garments in my uncle's business for more than ten years, but its business mode only stays at the OEM stage of OEM for international famous brands. Although the profit of OEM is small, it can achieve low production cost, low profit and high sales by relying on population dividend. In the face of increasingly fierce competition in the clothing industry, many OEM clothing processing plants have transformed and sought development. Although G Knitting Factory still has a stable customer base and order volume, it needs to be prepared for dangers in times of peace. The OEM is controlled by others and has no initiative to control its own destiny. And the danger is also approaching step by step. The higher and higher production costs greatly reduce the profits of enterprises and pose a threat to the survival of enterprises, especially for those enterprises that are labor and cost sensitive, such as wool weaving and garment manufacturing. In the three links of the industrial chain (R&D and design, production and manufacturing, and brand marketing), the added value of production and manufacturing is the lowest. Enterprises should work hard at both ends of the smile curve that produces high added value. Only by strengthening R&D creation and customer-oriented brand marketing and service can they create more profits. Clothing enterprises should take the path of design innovation and brand development to go further and more stable. Only by taking the initiative to change can we turn the crisis into safety and break out against the trend.

China's children's clothing industry is currently in a new stage of growth. The comprehensive opening of the second child has triggered a new round of baby boom. The increase of the newborn population has brought a huge consumer base for the expansion of the children's wear market. The growth rate of the children's wear sales

scale has risen year after year, and the children's wear brand has ushered in a good development opportunity.

China's clothing industry is experiencing a process from large foreign brands accounting for half of the country to domestic brands and designer brands. The development of high-tech, internet, electronic payment means, information security, logistics and other related industries has paved the way for the rise of internet e-commerce. In recent years, a large number of children's wear enterprises of different sizes have emerged in China's children's wear industry. International famous brands of children's wear have also entered China. The competitive environment of China's children's wear industry is becoming increasingly fierce. Chinese children's wear brand enterprises need to reasonably position the children's wear brand, strictly control the product quality, and constantly carry out independent innovation, and strengthen brand building in all aspects.

Compared with foreign children's wear, China's children's wear industry started later. For thousands of years, China's children's clothing has been the product of the family handicraft industry. It was not until the middle of the 20th century that China's children's clothing industry began to take shape. Until the reform and opening up, China's children's clothing gradually formed a more complete modern industrial system. At this stage, China's children's wear industry has not formed a complete production and marketing supply chain system, and children's wear brand awareness is insufficient. Children's clothing needs to be improved in terms of design, product quality and brand building. The reserve of professional design talents for children's clothing is insufficient, and the product design is mostly adult clothing design. The problem of adult is serious, and the particularity of children is not specially considered. Many children's clothing products are of poor quality and have potential safety hazards. Although the brand awareness of children's wear enterprises is gradually improving, in general, the popularity and market share of children's wear brands are still lower than that of foreign children's wear brands, and China's children's wear industry still needs to make greater efforts in brand building.

It is positioned in the category of knitted children's wear only for effective management. In terms of factory resources, in addition to relying on the existing

manufacturing strength of A Knitting Factory, it will also take the way of cooperation with more high-quality knitting factories when the order volume increases gradually.

1.2 Current situation analysis

1.2.1 PESTEL

Political: As China is the largest clothing exporter and consumer in the world, the international and domestic political environment has a great impact on the clothing industry. Internationally, benefiting from the earlier implementation of regional trade agreements such as the Trans-Pacific Partnership Agreement (TPP), the trade costs of developing countries such as India, Vietnam, Bangladesh and Pakistan have been reduced, which has promoted the development of textile industry in these countries. Many garment processing enterprises have invested and opened factories in Vietnam and other countries, which has had a significant impact on China's garment manufacturing industry. The Sino-US trade agreement during Trump's coming into power, after many negotiations, decided to cancel the new tariffs, and the existing tariffs of 300 billion Chinese goods were halved. The tense Sino-US trade situation also eased in a phased manner, which is conducive to the development of China's clothing industry.

In recent years, China has also issued a series of policies and regulations to support the development of the clothing industry.

① Notice on Several Opinions on Accelerating the Structural Adjustment of Textile Industry and Promoting Industrial Upgrading, vigorously advocating China The construction of independent brands encourages Chinese brands to go global. We will focus on supporting and vigorously cultivating enterprises with advantages in brand design, technology research and development, and marketing channel construction.

② The Plan for the Adjustment and Revitalization of the Textile Industry aims to stabilize and expand the export market. Promote domestic textile and clothing consumption. Improve the ability of independent innovation. Accelerate the implementation of technological transformation. Accelerate the construction of independent brands. Improve the competitiveness of enterprises.

③ The Guiding Opinions on Accelerating the Construction of Self-owned Brand of Clothing and Home Textile proposed to transform China from a major textile country Initiatives to transform into a textile power. The opinion points out that to strengthen the comprehensive strength of the clothing and home textile industry, more efforts should be made in the operation mechanism of the brand, market environment, public service platform construction and other aspects.

④ The Intelligent Manufacturing Development Plan (2016-2020) proposes a two-step strategy. By 2025, the intelligent manufacturing support system will be basically established and the intelligent transformation of key industries will be initially realized.

In addition to supporting the development of the clothing industry, the country has also issued laws and regulations and specific implementation rules for the quality control and production standards of clothing. In terms of standards and requirements related to children's clothing, mainly include:

① On May 26, 2015, the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and the China Standardization Commission (SAC) jointly issued the first mandatory national standard GB31701-2015 Safety Technical Specifications for Textile Products for Infants and Children (children's clothing) in China. The requirements for fabrics, fillers, accessories, chemical safety, mechanical safety, combustion performance and identification of children's wear products are specified. This standard has been officially implemented since June 1, 2016. The implementation transition period is 2 years. From June 1, 2018, all relevant products must be enforced according to this standard.

The country is also vigorously promoting the transformation and upgrading of the clothing industry and brand building. Premier Li Keqiang mentioned in the government work report that "enterprises should be encouraged to carry out personalized customization, flexible production, cultivate the craftsman spirit of excellence, increase varieties, improve quality and create brands". The key content includes comprehensively improving the quality level. We will improve the quality competition mechanism for the survival of the fittest. We will vigorously promote the spirit of craftsmanship, create more world-renowned "Chinese brands", and promote

China's economic development into a quality era.

China's clothing industry is moving towards branding, paying more and more attention to product quality, increasing the use of the Internet and big data, and gradually moving towards intelligent manufacturing. G Garment Co., Ltd. is positioned as an enterprise focusing on high-quality knitted clothing, and will actively respond to and comply with policy development, improve scientific and technological production strength, and strive to create high-quality brands in China.

Economic:

According to the data of the National Bureau of Statistics, the retail sales of clothing products nationwide increased year by year from 2011 to 2017, but the growth rate slowed year by year. In 2017, the retail sales of clothing goods nationwide reached 1036.54 billion yuan, up 1.4% year on year; In 2018, the retail sales of clothing goods nationwide reached 987.04 billion Yuan, down 4.8% year on year, and the retail sales of clothing goods showed negative growth for the first time. In the first half of 2019, the retail sales of clothing goods reached 474.97 billion Yuan. In recent years, the sales volume of clothing affected by the epidemic has declined year by year.

However, in recent years, China's per capita gross domestic product (GDP) has shown an upward trend year by year. According to the preliminary accounting data of the National Bureau of Statistics, the gross domestic product in 2019 was 990865 billion Yuan, the gross domestic product in 2020 was 101356.7 billion Yuan, and the gross domestic product in 2021 was 114367 billion Yuan. This means that China's comprehensive national strength is increasing day by day, the economic scale is expanding, and the national income level, consumption structure, market scale and innovation conditions will all reach a new level. People's living standards have improved, and their purchasing power for clothing will also increase.

According to the population proportion in 2020 published by the National Bureau of Statistics, children aged 0-14 account for 18% of China's total population. After the release of the second child, the number of children has also increased, driving the increase in the size of the children's clothing industry. At present, the per capita consumption amount of children's clothing in China is far lower than that in

developed countries. However, with the improvement of living standards and the increasing number of post-90s people gradually becoming the main force of fertility, the consumption price of children's clothing is expected to further increase. A new round of consumption upgrading will promote the development and prosperity of the children's clothing industry.

Sociological

With the continuous improvement of Chinese consumption level and the change of consumption concept, brand awareness has also gradually strengthened, especially the young generation after the 1990s and the 2000s who no longer blindly pursue cheap clothes but pay more attention to the expression of personality. In addition to the popularity of foreign brands in China, the awareness of domestic products has increased recently, and Chinese people have become more culturally confident and increasingly accept domestic brands. Various designer brands have also been developed, and China's design force is constantly improving. The rapid development of Internet technology, electronic payment means, information security, logistics and other related industries has spawned China's e-commerce operation model. Taobao, JD.com and other leading e-commerce trading platforms have created conditions for the rapid drainage of the clothing industry. Clothing retail enterprises have opened stores online, and their sales performance has improved significantly. In social life, education, culture, science and technology, entertainment and other aspects have developed accordingly. With the full liberalization of the two-child policy, people began to pay more attention to life and family and were willing to spend more money for their children. G Garment Company will firmly grasp this period of children's clothing dividend, on the basis of down-to-earth product itself, make good use of the Internet platform, make use of WeChat official account, microblog, WeChat shop, WeChat community and other e-commerce channels, and use short videos to increase brand publicity and promotion, successfully establish brand image and expand market share.

Technological:

3D technology, virtual fitting technology, collaborative robots, intelligent wearable devices, new materials, unmanned vending machines, unmanned

supermarkets and other new ideas have become reality. The relevant technologies of textile and garment enterprises have been significantly improved, including the use of new technologies and new systems in various aspects such as clothing fabrics, clothing cutting, enterprise operation, supply chain management, etc., which has greatly improved the production efficiency. Science and technology have led progress and greatly improved people's lives. With the development of technology, the use of various machines and equipment has replaced simple and repetitive high-intensity physical activities, freeing people from heavy physical labor, and also promoting people to continuously improve their skills, from physical labor to mental labor. The development of technology and information technology has played an important role in promoting the innovation and progress of the clothing industry. Through the virtual fitting technology, customers can show the upper body effect of the clothes they intend to buy without directly fitting clothes, which is convenient and fast. The application of textile information technology such as supply chain management system (SCM), enterprise resource planning system (ERP), warehouse management system (WMS) has greatly improved production efficiency. In actual production and business activities, children's wear enterprises are increasingly using the latest science and technology, which will further improve production efficiency, optimize enterprise management and expand marketing channels

Legal :

G Textile Mill is a limited liability company. It is an independent legal person with limited responsibilities and independent rights. This is a relatively common form of enterprise in China, which is very suitable for such profit-making enterprises.

1.2.2 SWOT

Strengths

The knitting factory of G Garment Company has produced knitted garments for international famous brands for more than ten years. With high customer satisfaction and good reputation, it has maintained a good and stable relationship with customers and suppliers. The factory has many automatic machines, equipment and skilled workers, who strive for excellence in quality and have strict quality control in production process and raw materials.

The designer team has excellent design strength. The team members are young and energetic. They have a keen insight into international and domestic fashion. They can provide good design works for G Clothing Company and play a strong role in establishing brand image.

Weaknesses

G Garment Company only sells knitted garments at present, and does not have a full range of product lines. The brand awareness and marketing channels of the new company need to be strengthened. In terms of management and operation, the company also needs to strengthen the construction of core values and corporate culture to retain talents, so that employees have a sense of identity and belonging to the enterprise.

Opportunities

Most garment brand enterprises in the market are developing in a diversified way, pursuing large and comprehensive. G Garment Company will devote itself to making the best knitted garments, and work hard in this category. If the results are excellent, it can also make the brand and enterprise famous, which is different from other garment enterprises in the market.

E-commerce platforms, small videos and other media can quickly attract customers, providing vast space and opportunities for the company's development. The progress of science and technology, as well as various policies issued by the state to encourage brand development, encourage enterprises to use high-tech to promote personalized, customized and intelligent manufacturing.

Threats

The original OEM customers of the knitting factory may have some resistance to the brand set by the enterprise. In order to avoid affecting their supply, they chose other suppliers in advance. Therefore, the knitting factory may lose its original customers.

As a newly transformed company, compared with other mature clothing companies, it faces huge challenges in the fierce market competition environment.

Unstable factors such as changes in the socio-economic environment and the Sino-US trade situation have had a certain negative impact on the clothing industry.

How to maintain competitive advantage and survive in adversity is a problem that enterprises need to consider.

1.2.3 Feasibility Analysis

From the perspective of strategic development, children's clothing has more development potential and market space in the clothing industry than men's and women's clothing. The development opportunity of this project is good. G Clothing Company's children's wear project will adopt the online and offline linkage development mode, combining the advantages of online business flow, capital flow, information flow and offline logistics, service, experience and other advantages, which can play a complementary and mutually reinforcing role

From the perspective of industry competition strategy, the market segment of the project will focus on children's knitted clothing series aged 0-12. The target market is mainly urban families, and the brand positioning is popular basic and high price classic and fashionable with design sense. At present, the children's wear market is mixed, the quality is uneven, and the adult design of children's wear is serious. The main children's wear of this project will not only pursue high quality, but also pay attention to the safety and intelligence of children's wear. In the marketing promotion, more attention will be paid to the uniqueness of children and strengthen experience marketing, so as to create a good reputation.

The product orientation of the project is high quality children's clothing; In terms of price setting, because it is directly supplied by the factory, there is no intermediate link, so the project can achieve high cost performance on the basis of ensuring profits, and the price is more people-friendly than other high-end children's clothing. However, in order to avoid online and offline price conflicts, the project will unify all the prices, and the price concessions are carried out through member discounts, which can not only implement differential prices, but also accumulate stable passenger flow; In terms of channel promotion, we will carry out online and offline linkage sales, and focus on promoting experiential marketing. Some children's clothing will be displayed through offline physical stores, and more children's clothing categories will be displayed and sold through online channels. This will not only save

store operating costs, but also save customers' time. Customers can buy directly from the clearly classified online links, or contact offline stores to try on and buy after finding the desired style online.

From the perspective of financial forecast and value evaluation, this paper analyzes the investment value of the project by measuring the three financial indicators of the net present value (NPV) of investment, internal rate of return (IRR) and modified internal rate of return (MIRR). According to the incremental cash flow of the project and the discount rate of the project (12.65%), the NPV of the project is calculated to be 14.9229 million - 7 million=7.9229 million, and the NPV is far greater than 0. The project can bring returns to the investors and has investment value. At the same time, the internal rate of return (IRR) of the project is 37%, and the revised internal rate of return (MIRR) is 29%. These two data are also greater than the return rate/discount rate (12.65%) required by investors. To sum up, the project is a project with good development prospects

1.4 Objectives (Mission, Vision)

To study Children's Wear Project Plan of G Clothing Company in China.

G Garment Company will focus on high-quality children's clothing and create a healthy, fashionable and beautiful life for children as its mission. At present, enterprises will work hard at both ends of the smile curve to create high added value. Strengthen R&D creation and customer-oriented brand marketing and service, and strive to create more profits. G garment enterprises will take the path of design innovation and brand development, establish professional management teams, recruit full-time designers, effectively integrate the production and manufacturing resources of knitting mills, designers' design strength and upstream and downstream supply chain relations, and open up the development path of design and processing (ODM) and brand manufacturing (OBM). Since the company has long focused on knitted clothing series and has high-quality resources in all aspects, in the process of transformation, the goal should not be too high, and it should not pursue large and comprehensive. Therefore, the company will only do fine and professional knitted clothing category, and will be positioned as only knitted children's clothing category, which is convenient for effective management. In terms of factory resources, in

In addition to relying on the existing manufacturing strength of the knitting factory, we will also adopt the way of cooperation with more high-quality knitting factories in the case of increasing orders. In terms of marketing strategy, G Clothing Company will take the way of online and offline synchronous linkage to carry out brand promotion and brand building. Online promotion is mainly carried out through online flagship stores (Taobao, JD.com, etc.) and online franchise stores (agents).

The development will focus on the following three aspects: (1) brand design and product quality. In order to break out, a start-up brand must have its own characteristics, and the most important thing is novel style and high quality. (2) Customer service. Customers include both agents and customers who directly purchase the company's clothing. Only by doing well in products and services can we establish a good brand image and maintain a loyal customer base. (3) To strengthen the team building of the company, start-ups need to rally people's minds. Only when employees take the company's affairs as their own business, can they help the company develop rapidly. I hope that in the future, G Garment Factory will create a well-known brand of knitted children's clothing at home and abroad.

Section 2

Marketing Plan

2.1 STP analysis

No clothing enterprise can produce or operate thousands of clothing varieties to meet the needs of all consumers, nor can it satisfy the interests of all kinds of consumers with one product. Therefore, select one or more types of customers from the entire clothing market as the target market, and on this basis, carry out product development, establish brand concept, price, promotion and other strategies. The application of STP marketing is the core or starting point of clothing marketing strategy.

Market Segmentation

According to the different classification of children's wear, G Clothing Company can select specific market segments. According to the age of children, children's clothing can be divided into infant clothing (0-3 years old), small children's clothing (4-6 years old), medium children's clothing (7-12 years old) and large children's clothing (13-16 years old). According to the weaving method, it can be divided into knitted clothing and woven clothing. According to the season and function of clothing, children's clothing also has many categories. The market segment of the project will focus on the knitted clothing series of children aged 0-12 years old, basically covering the clothing of all seasons.

Target Market Selection

G Garment Company has rich knitting experience and strict quality management. We are committed to creating high-quality children's wear, entering the high-end children's wear market, and creating a high-end knitted children's wear brand. In terms of target market selection, the economic capacity and purchasing power of urban population is stronger than that of rural population, and the demand for high-end children's clothing is greater. Therefore, the target market of the project is urban families. According to the latest data of China Statistics Network, the population of China at the end of 2021 is 1412.6 million, of which the urban population is 914.25 million, accounting for 64% of the total population, and showing an increasing trend

year by year. In 2021, the permanent resident population of Shenzhen will also reach 13.43 million. And the birth rate in 2021 is 7.52 ‰, which is higher than the death rate of 7.18 ‰. The population is growing and the number of children is increasing year by year. The project adopts offline and online methods. Offline is mainly aimed at families in Shenzhen, where the clothing factory is located, while online is mainly aimed at urban families across the country.

Positioning

At present, G Garment Company mainly relies on the manufacturing resources of the original knitting factory. In order not to conflict with the business of existing customers, G Clothing Company needs to establish its own brand, rather than copy the customer's brand, and maintain its original brand. At present, most of the clothing produced by the knitting factory is adult clothing for men and women, and a small amount is children's clothing. Because it wants to create a new brand, it needs time to improve its experience and operation in all aspects, and it also needs time for the new brand to gain popularity. Therefore, the company will focus on its advantageous projects, which are limited to the category of knitted clothing and the market segment: children's wear. The company will mainly sell children's clothing series aged 0-12, and also support the production of parent-child clothing to meet the needs of different families. Due to the liberalization of the two-child policy, the market for children is promising. Parents also value the quality of children's products, and are willing to provide children with safe clothing and willing to spend on children's clothing. For start-ups such as G Garment Company, it is necessary to win customers with high-quality quality, and children grow and change rapidly. Children's clothing sizes are different at different ages, and the style design can also be changeable. If initial customers are accumulated, it is easy to make the customer become a loyal customer and follow the brand all the time. The resources and costs invested in finding customers will also be greatly reduced. The children's clothing brand of G Garment Company will mainly focus on high-priced classic style clothing, pay attention to the design sense and style diversity of clothing, and also produce a part of basic popular styles to attract more potential consumer groups. The popular basic products produced by the project are also positioned at the middle and high end to

ensure product quality and the establishment of high-end brand image,

2.2 4Ps analysis

1. Product

The most important key is the function of the product itself, whether it is unique and attractive. You can check whether the product has a unique selling point (USP) and put the functional appeal of the product first. G Garment Company will adopt the following four strategies on products:

(1) Quality

Company G will ensure the quality of children's clothing products, and use environment-friendly and high-tech materials in clothing fabrics and materials as much as possible. For example, in the questionnaire survey, we found that the pure cotton material is more popular, so more pure cotton materials and other comfortable and safe high-tech materials will be used for children's clothing in this project to meet the needs of consumers. Optimize the production process and process to ensure the safety of raw and auxiliary materials, environmental protection and comfort of materials, and design high-quality children's clothes that fit children's psychological characteristics.

(2) Brand

① Create a popular model and use the strongest products to drive sales growth. The parents of children are now mostly the post-80s and post-90s generation.

② The body pays attention to fashion and personality, and children's clothing also pays more and more attention to fashion and personality. In terms of clothing style, we should pay attention to the combination of basic style and extension style. The comfortable and convenient basic style can expand sales. Quantity, and the extension can well meet the personalized needs of consumers. While enriching the product line, create unique brand personality and brand value connotation.

Nowadays, the homogenization of children's wear products is becoming more and more serious. To increase the competitiveness of products, it is necessary to conduct differentiated competition. Consumers pay more attention to the connotation of products with similar prices and quality. The children's clothing brand

of this project can design different series of theme children's clothing for children of different ages, such as the display of clothing patterns and design by using animated characters such as Little Yellow Man, Mickey Mouse, Aladdin Magic Lamp and other elements such as story plots. Create and enrich the brand image by creating beautiful stories for products.

③ A simple but artistic brand logo is designed to stand out on each children's wear but does not affect the position of the overall style. As long as children wear it, parents and children nearby can also see the brand, thus strengthening and promoting the brand image.

(3) After sales service

There are special customer service personnel to sort out and maintain the customer database. Collect the customer's real consumption feedback data, and analyze the evaluation of other children's wear buyers on the Internet (this function can be realized with big data later, using the big data collection and integration function of Taobao and other platforms), and solve the customer's demands (delivery time, return and replacement, etc.) in a timely manner.

When consumers buy children's clothes online, there may be inaccurate measurement. Customer service personnel should patiently answer consumers' questions, provide a size comparison chart, and teach parents how to measure and remind them of relevant details. Through such considerate, timely and thoughtful services, we can create a good sense of consumption experience for customers.

(4) Service items

On the basis of the basic selling styles, add customized personalized content, such as children's name letters or meaningful numbers and symbols.

2. Price

Price is not only one of the elements of how consumers position products, but also a subject. No one wants to buy it when it is too high, but it is a little cheap when it is too low. Guppies Business School (2016) believes that most clothing brands show the excellence of material quality and high design. If they are promoted cheaply, they may damage the brand value. We should formulate different price strategies according to different market positioning and enterprise brand strategy, and find a consumer

willing to pay for the product, which is also one of the keys to success.

G clothing company children's clothing brand will develop online and offline business at the same time. The same pricing principle is adopted for the same clothing of the company's own offline stores and online flagship stores. The reason for this is that most people have the habit of comparing prices online. If the online stores offer preferential prices, it is bound to damage the sales of the company's offline physical stores. However, some promotional styles will only be sold online at a preferential price, which can effectively reduce inventory risk, attract customers and cultivate customers' habit of paying attention to the company's online stores.

In order to encourage and increase the enthusiasm of the agents, the agents will be given different levels of tiered discount according to the accumulated level of the shipment quantity and certain sales volume.

Place:

The organization or enterprise that transfers products from producer/supplier) to consumers or users, that is, the channel through which consumers or users purchase or obtain products or services. The channel of children's wear brand of G clothing company is divided into offline physical stores and online linkage development. The offline channel expansion mainly adopts the following two methods:

(1) Physical store operation.

Learn the store business model of Uniqlo, focus on the store manager, let the store manager drive the development of the store, and let the organization operate flexibly. For the store manager, performance assessment shall be adopted, and the minimum performance standard shall be defined. The performance shall be linked to the bonus, and the part exceeding the performance shall be rewarded additionally. The offline children's clothing physical stores should pay attention to strengthening the sense of design. The store design has bright spots and new ideas. According to seasons, special festivals (such as Children's Day, Christmas, Halloween, Spring Festival and other festivals), newly popular cartoons, etc., the publicity posters and temporary decorations in the stores should be added to attract attention and create a childlike,

happy and other atmosphere. If consumers can be interested, they should take photos and send friends, It will attract people to watch the experience and open the popularity. Some elements of entertainment and relaxation are added to the layout of the store environment, such as background music, games for children to play, and rest benches in the waiting area.

(2) Participate in community activities and sponsor related projects. Jointly carry out some activities with the community and children's training institutions, such as parent-child activities named after the children's clothing brand of G Clothing Company, set up competition awards, and distribute some children's clothing as prizes to the children participating in the activities. Through trial wear and such publicity in the community and children's institutions, some customers can be attracted. The children involved will also be more favorable to the brand.

For online channels, in the initial stage of the company's brand, in order to open up the situation and have the opportunity to contact more consumers, we will adopt the multi-channel layout of e-commerce, because now online is not a simple supplementary link, it has become a major retail store that needs to be operated. The more widely distributed and complementary online channels are, the more valuable they will be.

(1) In addition to settling in Taobao and JD, they also participate in some new channels of live broadcast and community. Invite the customers who have purchased and are interested to join the group to chat, and arrange two customer service personnel to maintain and manage the group in turn. The soul of new retail is service. Try to reply to any customer's questions as soon as possible, get the customer's favor, and form a certain stable customer retention rate. The community has a self fission function. When consumers are satisfied, they will introduce relatives and friends, bring people who were not in the community before into the group, and word of mouth marketing will bring potential customers.

(2) Open the company's official microblog, WeChat official account, Youzan applet store, etc., and regularly publish some interactive articles about clothing, children related knowledge (such as parenting knowledge, children's clothing matching knowledge), award-winning Q&A, etc., and attach the purchase links of

related children's clothing to these articles. Pay attention to the originality, practicality and interest of such promotion soft articles. If consumers are interested in the content, they will also increase their interest in the brand. If soft articles are forwarded in large numbers, they will also attract potential consumers and increase the brand loyalty of existing customers. In addition, when potential consumers search for relevant knowledge and information on the Internet, they will find the company's website, which will lead to the purchase link.

(3) Cooperate with some children's related websites, and cooperate with Mommy's website, Qiaohu, etc. to provide children's clothes of Company G.

(4) When the sales volume reaches a certain scale, the company will launch its own independent online shopping website.

During online operation, because consumers can't touch the real objects, they can only judge and select children's clothing by pictures, videos and descriptions. Therefore, the project will provide consumers with as detailed a description of children's clothing as possible, with both pictures and texts, and timely add videos and use live broadcast to display clothing details in an all-round way. Live broadcast can interact with customers online to promote real-time consumption. When operating offline, focus on enhancing the customer's good experience.

4. Promotion

Promotion, start to promote the product. Broadly speaking, it includes general advertising, public relations, personnel sales, etc., which can let different groups know about products.

(1) The children's wear brand of G clothing company will invite all the children's wear consumers who have purchased G clothing to join the company's members. The promotion methods of members are as follows. The specific operation scheme can be discussed again during the official operation to achieve the win-win goal of giving back to consumers and increasing the company's sales performance:

A point system will be implemented for members. One point will be gained for every 1 yuan spent, and 1 yuan will be deducted for every 100 points spent in the next shopping. Members who have accumulated 1000 points for shopping will be

rewarded in two different ways. The first is that you can draw prizes at physical stores (cash coupons of 10 yuan, 20 yuan, 50 yuan and 100 yuan, one of which must be drawn).

The second way is to directly deduct 20 yuan for online shopping and no longer participate in the offline lottery of the store. The points were cleared at the end of the year to stimulate consumption. Irregularly issue coupons in various direct operating channels of the company, such as physical stores, online flagship stores, WeChat official account, microblog, WeChat Taobao community and other channels, and push information on the WeChat official account. The advantage of this is that customers who like the brand will pay attention to the company's promotional information from time to time to increase customer stickiness. If customers don't pay attention to you for a long time, they may forget you. The potential customers may also be attracted by the discount coupons and choose the company's children's wear brands with a try attitude. When members shop in the month of their birthday, they can enjoy a discount of 85% for regular priced goods, and an additional discount of 5 yuan for every 100 yuan of discounted goods.

(2) In the promotion strategy, we can consider selling some other children's peripheral products together in children's clothing stores, and agree with the other company to promote the company's children's clothing manual in their stores, post advertising pictures, and inform them that if necessary, we can also buy their company's products in our children's clothing stores, and we can choose to buy electronic atlases (other products, if our company has sales, you can pick up goods nearby), etc Promotion through joint operation. Establish business alliances with the same customer groups, such as cooperating with children's photography stores, where you can get a coupon for clothes for consumption, and a discount coupon for children's clothing stores for consumption. Through this cooperation, mutual drainage can be achieved.

(3) Drawing on foreign pop-up sales (flash stores) and other new forms, you can rent a similar shop for a short time to promote goods and attract customers. Because such shops are short in time, it is easy to make people have an impulse to buy.

The company can also carry out all staff marketing activities for children's wear.

Employees who help with marketing performance, regardless of their posts, can be given corresponding rewards to improve their enthusiasm, and at the same time, let everyone work hard for the common goal of the company's development.

Section 3

Management & Operation Plan

3.1 Management Plan

G Clothing Company adheres to the core values of "integrity first, quality first" and is committed to building the company into a high-end children's wear brand enterprise in China. Allocate corresponding personnel according to the company's development plan. This section will describe the responsibilities of each position, and analyze the salary and employee training plan according to the personnel needs. Table 3-1 is the responsibility description and estimated salary statistics of the personnel of each department, and Figure 3-1 is the organizational structure chart of G Clothing Company. The subsequent personnel settings will be adjusted appropriately according to the business development model and the actual situation of the company.

Table 3-1 Responsibility description and estimated salary table of personnel in each department of G Clothing Company

Position/ Annual salary (Yuan)	Responsibilities
general manager (240,000)	Responsible for the overall operation of the company, including the planning, implementation and team management of annual business objectives
Marketing Director (120,000)	Be responsible for the formulation and review of the performance objectives and annual budget of the entire marketing team; Responsible for marketing channel development, relationship maintenance and overall management; Brand publicity, brand management and event planning

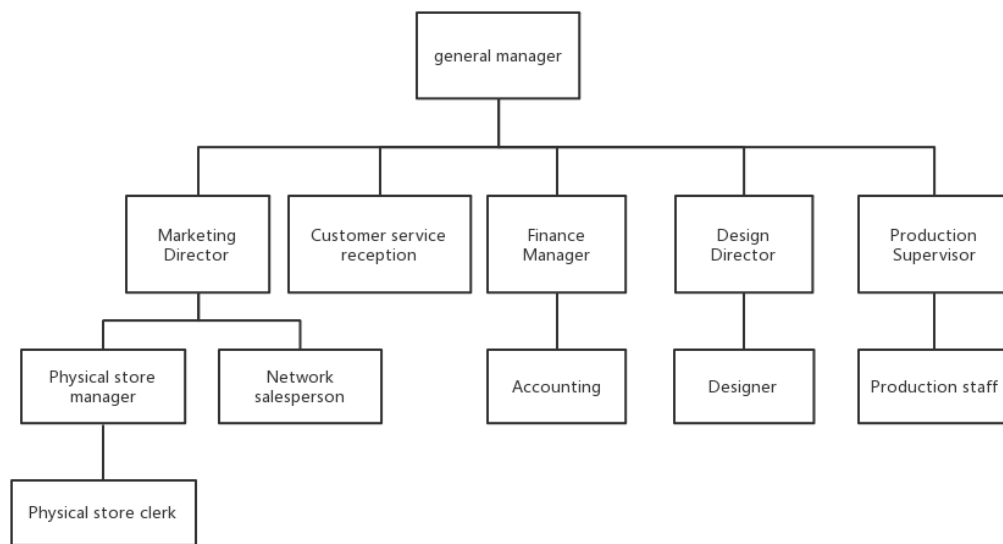
Physical store manager (96,000)	Responsible for the operation and management of the entire clothing store; Attendance and performance evaluation of shop assistants; Tally management and supervision; Responsible for the marketing of storefront activities
Physical store clerk (60,000)	Promote the achievement of sales and ensure the completion of sales task indicators; Supervise the quality of goods and timely feed back market information; Conducting the company's brand culture and developing brand customers; Maintain the on-site image and environment of the store and be responsible for the safety of the on-site goods in the store
Network salesperson (60,000)	Formulation and management of daily work, performance objectives and promotion budget of online stores; Sales report preparation; Promotion planning; Product analysis, market and industry information collection
Finance Manager (120,000)	Be responsible for the preparation and analysis of the company's relevant financial statements for the management to analyze the performance progress and make corresponding decision adjustment and formulation; Formulation and monitoring of annual financial budget; Responsible for the inspection and review of system data and financial accounting subjects
Accounting (60,000)	Be responsible for the entry and arrangement of the company's financial daily orders, statements and bills, and the accounting and accounting of receipts and payments
Design Director (120,000)	Participate in the formulation of the planning plan for the series of products, lead the team to design and develop the company's new products and product style positioning

<p>Designer (60,000)</p>	<p>According to brand positioning, design clothing styles and provide suggestions for clothing fabrics; Regularly investigate and analyze the market, competitive product information and fashion information, and master the trend of market color elements; Follow up the production progress of design samples, complete the shooting work of modeling and clothing matching; According to the feedback from the sales market, the product design is adjusted in real time, and the product iteration optimization is carried out</p>
<p>Production Supervisor (120,000)</p>	<p>Mainly responsible for the daily production work arrangement, the ordering of production raw materials, the arrangement of regular maintenance, and the formulation of work plans.</p>
<p>Production staff (60,000)</p>	<p>Front-line production staff, responsible for completing the tasks assigned by the production supervisor</p>
<p>Customer service reception (60,000)</p>	<p>Follow up any feedback on customer consumption to ensure the timely and effective solution of problems; Customer data analysis and sorting; Planning and implementation of relevant customer activities</p>

G Garment Company will conduct training for employees from two levels: first, at the company level, the general manager assistant will organize all staff to participate in the relevant training to strengthen the corporate culture and cohesion; second, at the department level, the leaders of each department will carry out vocational skills training for their subordinates. In terms of incentives for employees, we should consider both material and spiritual life. The material reward is the most direct, and the corresponding proportion of bonus will be given according to the performance appraisal. In the aspect of spiritual life, it will increase the sense of belonging of employees, strengthen the communication opportunities between personnel of various departments, and enhance the distance between each other,

which is conducive to the smooth development of work at ordinary times

Figure 3-1 Organization Chart of G Clothing Company



3.2 Production Plan

In terms of design, G Clothing Company will rely on AI aided design and prediction, analyze based on big data, predict what customers will wear next, and promote a new era of personalized fashion development in the clothing industry. Because G Company has the experience of OEM production, it has a certain foundation in the purchase of its plant equipment and raw materials, and will continue to use the original source of raw materials, mechanical equipment and operators at the initial stage of production, Large-scale assembly line production is the main way to produce economies of scale. At the same time, as consumers pay more and more attention to personalization, personalized customization has become a new trend in the development of the clothing industry. G Garment Company will also start to develop e-commerce customization platform, which is customized by consumers online, and orders are directly sent to the factory terminal to meet some consumers who have higher quality requirements for clothing, It is also another progress and innovation for enterprises. In the selection of raw materials, although the former suppliers will still be used in the initial stage, they will continue to seek new environment-friendly materials and new fabrics to improve the quality and

competitiveness of products.

3.3 Operation Plan

Based on the comprehensive analysis of the current development of China's children's wear industry, the operation mode of this project will be "offline direct stores+online flagship stores and franchise stores". As we know from the previous analysis of online and offline characteristics in this article, online is the mainstream, offline is a useful supplement to online, and online has no advantage, which is the sense of experience and intuitive product quality. In physical stores, consumers' demands can be realized immediately. Therefore, G Garment Company will adhere to the principle of both online and offline, and steadily develop its brand.

Project site selection

Offline stores should consider choosing a shopping center or mall in Shenzhen near the clothing factory, where there are large flow of important people and many target customers. Because Shenzhen itself is also a fashion city with a large flow of people, it is closer to the project than Guangzhou, Shanghai, etc. Therefore, the company will consider opening its first direct store in Shenzhen. If it plans to move to other regions or the country in the future, another store address will be planned. There are also many shopping centers, large and small, in Shenzhen, with a large flow of people in each mall. The project will integrate the rent of each mall, business type of the business district, geographical location, whether there are children's entertainment centers or nearby training centers, schools and other objective factors. The flow of people is critical. If the area is moderate, a few people will feel very popular when they enter the store, which will greatly help to improve the rate of entering the store and the transaction rate.

Project preparation and implementation schedule

(1) Confirmation of office location. When the company was founded, it was located in the downtown area of Huizhou, an office building near the garment factory.

(2) In the first half of the year, the online store opened its flagship store on Taobao. In the second half of the year, offline physical stores opened.

Selecting the right talents is crucial to the development of the company. It takes time to recruit personnel and conduct training. The operation of physical

children's clothing stores is more difficult than that of online stores, which is also a process that needs to be accumulated. Therefore, as a start-up company, because it does not have the actual sales experience of children's clothing, it is not allowed to open stores immediately. In the first half of the year, it only opens online stores. While accumulating customers, it gradually builds a good reputation for its products. Through online stores, it can understand customer preferences, Timely adjust the design and production ideas, and more accurately select the location of physical stores on the basis of fully understanding the needs of clothing.

The location of the store is very important, which requires careful investigation. Once it is selected, if it does not meet expectations, it is difficult to choose another address, which will cause serious losses. Therefore, there should be enough time to choose a suitable store address, and the necessary preparation is the prerequisite for success. In addition, Management should be strengthened in the input of store staff and personnel training. The ability of shopping guide sales directly affects the sales volume of products. In the first half year of the company's establishment, it is necessary to formulate relevant management systems, sales commission systems and other company rules and regulations.

In the first year, we laid a foundation for performance, increased efforts to promote, and then expanded the online store channels.

Section 4

Financial Projections

This section estimates the initial investment amount of the project, as well as the income, expense, profit, cash flow, etc. in the project operation process, and calculates the three major financial indicators of the project (net present value, internal rate of return, and revised internal rate of return) based on the establishment of the project discount rate, so as to speculate whether the project is worth investment.

4.1 Financial statement

Estimation of relevant investment costs at the initial stage of the project

The capital source of G garment factory is mainly from the original capital of the knitting factory, totaling 5 million yuan. A supplier it has been cooperating with contributes 2 million yuan, totaling 7 million yuan. At the beginning of its operation, it will not lend to banks for the time being. Borrowing will not be considered until the operation reaches a certain scale.

The initial investment of project funds is mainly used for the following three aspects. First, the expenses related to the office and personnel of the clothing company, including the office rent, deposit, office decoration, office furniture, office supplies, staff wages, etc. The company is located near the factory, in Huidong or Huizhou urban area. The office area is about 120-130 square meters, 60-70 Yuan per square meter per month, the monthly rent is about 10000 Yuan, the annual cost is 120000 Yuan, and the deposit is 20000 Yuan. The office decoration, office furniture and office supplies are about 200000 Yuan, of which the decoration and furniture are one-time investment, and the office supplies will increase slightly every year, and they will be added as needed. The salary of the staff is about 1.269 million Yuan in the first year. The total cost is about 1.609 million Yuan.

The second is the cost of offline physical stores. Since the first half of the year is only for online stores and the physical stores are operated in the second half of the year, the cost is calculated in the second half of the first year. The store covers

an area of about 50 square meters. The monthly rent is calculated at 1500 Yuan, and the monthly rent is 75000 Yuan. The store rent in the first year is only paid for the second half of the year, and the total cost for six months is 450000 Yuan. The deposit is 3 months' rent, totaling 225000 Yuan, which will be refunded when the lease expires. The store decoration cost is 60000 Yuan. The cost of display facilities in the store is 80000 Yuan at a time when the first purchase is completed. The water and electricity management fee is about 3000 Yuan per month, a total of 18000 Yuan in half a year, and the total cost involved is about 833000 Yuan.

Third, Taobao flagship store expenses, including store deposit and other expenses. The deposit of the store is 1000 yuan, which will be refunded when the store is not opened. Other relevant software is estimated at 3000 yuan per year. Promotion costs are mainly used for online and offline channel promotion, research and development cooperation, etc. This part of the budget is divided into fixed promotion costs and floating promotion costs. Among them, the fixed promotion expenses include the design and development expenses, endorsements and other expenses, and the annual fixed budget is 2 million Yuan; The floating promotion expenses shall be accrued at 5% of the estimated sales of the current year. As the company's new brand is pushed into the market, it needs to increase the promotion efforts, so the budget cost is relatively high, and about 2.4709 million Yuan is invested for the first time.

The company reserves another part of working capital of about 1.08 million Yuan. The total initial investment of the project is estimated to be about 6 million Yuan

Revenue forecast

The income of the project mainly comes from the sales of children's clothing. Clothing sales are paid directly in stores and online. The customer confirms that the payment will be received immediately after receiving the goods. There is no problem of arrears, and good cash flow is maintained. As a start-up brand, G Company's children's clothing was launched into the market in the first year. In the first half of the year, only online flagship stores began to operate at the same time, and offline physical stores began to operate at the same time in the second half of the year.

Therefore, the sales volume is tentatively estimated conservatively. In the first month of the first year, the children's clothing brand of the project has just been launched into the market for online trial operation. The sales volume is conservatively estimated to be 600 pieces. The sales volume will gradually increase in the next month. By the second half of the year, the offline stores will be put into operation at the same time. By the seventh month, the sales volume will reach 4000 pieces. During the operation process of the project, the promotion force and fan fission will be increased to continuously complete user accumulation and attract new users. With the gradual promotion of the brand image, The market share of the products will also increase steadily. By the end of the first year, the monthly sales volume will reach 15000, the total annual sales volume will reach 64400, and the average monthly sales volume will be 5400.

Table 4-1 Sales forecast of children's clothing in the first year of G Company

month	1	2	3	4	5	6
Monthly sales volume (pcs)	600	800	1000	2000	3000	3000
month	7	8	9	10	11	12
Monthly sales volume (pcs)	4000	6000	8000	10000	11000	15000
Annual sales (10000 pieces)	6.44					
Average monthly sales (10000 pieces)	0.54					

In the second year, both offline stores and online stores will work together, and the sales volume will increase significantly. It is expected that the sales volume will double. The third year of the project is the outbreak period of the project. The brand awareness and promotion and marketing are relatively mature, which is expected to increase by 50% compared with the second year. After that, the growth rate will be stable, with an estimated increase of 25% in the fourth and fifth years, and an annual sales volume of 300000 pieces in the fifth year. In terms of sales price, because the company is based on the high-end children's wear route and has requirements for product quality, the production cost is higher than that of ordinary

children's wear, and the average sales price is estimated to be about 145 Yuan, which will increase slightly in the later stage of the project, with an average price of about 150 Yuan. Table 4-2 is the sales revenue for the first to fifth years based on the conservative estimation of the project sales volume.

Table 4-2 Sales revenue forecast of the project in 1-5 years

project	2023	2024	2025	2026	2027
Average price (Yuan)	145	145	150	150	150
Monthly sales volume (10000 pieces)	0.54	1.07	1.61	2.01	2.52
Annual sales volume (10000 pieces)	6.44	12.88	19.32	24.15	30.19
Annual sales revenue (10000 yuan)	933.8	1867.6	2898.00	3622.50	4528.50
Total sales in 5 years (10000 Yuan)	13850.40				

Cost forecast

Expenses mainly include product costs and operating expenses. As shown in Table 4-3, it is the cost estimate of the project in the next five years.

4-3 Cost analysis of the project in the next five years

(Unit: 10000 Yuan)

project	2023	2024	2025	2026	2027
Product cost	466.9	933.8	1449	1811.25	2264.25
Operating expenses	466.69	578.65	672.83	735.74	810.11
Including: human resources expenses (personnel salary)	126.9	174.24	210.54	231.59	254.75
Office (rent)	12	12	12.6	13.23	13.89

Office (decoration fee+office furniture +Office supplies)	20	1	2	2	2
Offline stores - rent	45	94.5	99.23	104.19	109.40
Offline store - decoration fee	6	1	1	1	1
Offline stores - display facilities	8	0.4	0.4	0.4	0.4
Daily management expenses (water and electricity management expenses, etc.)	1.8	1.8	1.8	1.8	1.8
Fixed promotion costs (design and development costs, endorsement advertising)	200	200	200	200	200
Floating promotion expenses (accrued at 5% of operating income)	46.69	93.38	144.90	181.13	226.43
Taobao data software and other accessories	0.3	0.33	0.36	0.4	0.44
total	933.59	1512.45	2121.83	2546.99	3074.36

Profit forecast

The main business cost is mainly the product cost, which is 45% of the sales revenue. The main business tax accrual ratio is 13% of the turnover. In terms of value-added tax, as the last link in the industrial chain, small-scale taxpayers save the most from personal retail terminals, with a collection rate of 3%. In addition, the enterprise income tax is calculated at 25%. Based on the estimated sales revenue, cost, cash

flow and other related data of the project, the profit statement is prepared as shown in Table 4-4.

Table 4-4 Profit Statement of the Project for 1-5 Years (Unit: 10000 Yuan)

project	2023	2024	2025	2026	2027
1. Main business income (including VAT)	933.8	1867.6	2898.00	3622.50	4528.5
VAT (small-scale taxpayer 3%)	27.2	54.4	84.41	405.51	131.9
Main business income (excluding VAT)	906.60	1813.2	2813.59	3516.99	4396.6
Less: Main business cost	466.9	933.8	1449.00	1811.25	2264.25
Less: business tax and surcharges (10%)	2.72	5.44	8.44	10.55	13.19
2. Main business profit	436.98	873.96	1356.15	1695.19	2119.16
Plus: Other business profit					
Less: operating expenses	466.69	578.65	672.83	735.74	810.11
3. Operating profit	-29.71	295.31	683.32	959.45	1309.05
Plus: Non-operating income					
Less: non-operating expenses					
4. Total profit	-29.71	295.31	683.32	959.45	1309.05
Total accumulated profit	-29.71	265.60	948.92	1908.37	3217.42
Accumulated income tax	0.00	66.40	237.23	477.09	804.35
Less: 25% corporate income tax	0.00	66.40	170.83	239.86	327.26
5. Net profit	-29.71	228.91	512.49	719.59	981.79

4.2 Cash Flow

As shown in Table 4-5, the incremental net cash flow of the project for 1-5 years will be calculated using the direct method, and the data is derived from the relevant data of the project in the above table (including the project sales revenue and expenses, etc.).

Table 4-5 Cash Flow Statement of the Project for 1-5 Years (Unit: 10000 Yuan)

project	2023	2024	2025	2026	2027
Sales income including tax	933.8	1867.6	2898.00	3622.50	4528.5
value added tax	-27.20	-54.40	-84.41	-105.51	-131.90
Product cost	-466.90	-933.80	-1449.00	-1811.25	-2264.25
Business tax and surcharges	-2.72	-5.44	-8.44	-10.55	-13.19
Labor cost	-126.90	-174.24	-210.54	-231.59	-254.75
Promotion expenses	-246.69	-293.38	-344.90	-381.13	-426.43
Other operating expenses	-93.10	-111.03	-117.39	-123.02	-128.93
income tax	0.00	-66.4	-170.83	-239.86	-327.26
Contract deposit	24.6	0.00	0.00	0.00	24.6
Incremental net cash flow	-54.31	228.91	512.49	719.59	1006.39

4.3 NPV, IRR, ROI

Table 4-6 cash flow project 5 year of Children's Wear Project Plan of G Clothing Company

	2023	2024	2025	2026	2027
Revenue PV	-297,100	2,289,100	5,124,900	7,195,900	9,817,900
Discount rate 12.65 %					
Accumulate Revenue PV	-297,100	1,992,000	7,116,900	14,312,800	24,130.700

Initial investment 7,000,000 Yuan

NPV = 24,130,700 – 7,000,000 =17,130,700 Yuan

IRR = 37%

Pay back Period = 3 years

ROI average per year = 48.94 %

This section will analyze the investment value of the project through several financial indicators such as investment net present value (NPV), internal rate of return (IRR), and modified internal rate of return (MIRR). First, the discount rate of the project will be calculated by the capital asset pricing model formula $E(R_i) = R_f + \beta [E(R_m) - R_f]$ is calculated. The risk-free rate of return R_f of the project will be calculated by taking the arithmetic average of the yield of long-term treasury bonds of more than 10 years to get 4.06% β The coefficient is 0.8857 based on the analysis of intra-industry data, and the market risk premium is 9.70% based on $E(R_m) - R_f$. From the above data, $E(R_i) = 4.06\% + 0.8857 * 9.70\% = 12.65\%$ can be obtained.

Net present value refers to the difference between the sum of the present value of income obtained and the sum of the present value of expenditure during a period of project investment. When calculating the net present value of the project, the NPV financial function in the Excel table is used, combined with the cash flow statement of the project (Table 4-6) and the estimated project discount rate of

12.65%, the data result of the net present value is

$NPV=24,130,700-7,000,000=17,130,700$ =17.13 million, NPV is much greater than 0, which means that the value of the company is increased through the investment of the project.

Internal rate of return refers to the discount rate when the net present value of the project is equal to zero. IRR is the highest rate of return that the project can bring to the enterprise, while the required rate of return is the lowest compensation for the risk. According to the lowest acceptable standard for independent projects, the investor's required rate of return and the internal rate of return (IRR) are usually used to compare. When $IRR \geq$ the investor's required rate of return, the project is accepted; When the IRR is less than the return rate required by the investor, the project is not feasible and the project is rejected. According to the data of the cash flow statement of the project, the internal rate of return of the project calculated by using the financial function IRR in Excel is 37%, which is higher than the return rate (discount rate) required by the investors, which is 12.65%. This project is acceptable.

4.4 Breakeven point

The break-even point refers to the state when the sum of the net present value of income and expenditure is zero. The NPV at the end of each year is also calculated from Table 4-6 from the table, we can see that the enterprise is profitable at the end of the fourth year, and the investment payback period is 3 years. At this time, the state is the break-even state.

4.5 Interview Result (conclusion from 6-10 interviewees of structure interview)

In order to better understand the current situation of children's clothing market demand and consumer purchase preferences, this plan adopts the method of questionnaire survey. See the appendix for the relevant survey contents: In order to ensure the scientific and effective sample of the questionnaire survey, the selection of the survey objects should be as diverse as possible to increase the coverage, and at the same time, attention should be paid to the targeted selection of target groups in order to make the data more accurate and true. The children's clothing

questionnaire in this paper is conducted online through the "Questionnaire Star" platform. The distribution objects include classmates, friends, colleagues, WeChat group chat, online mutual help Q&A channels, etc., and strive to expand the coverage of the respondents as much as possible. The selected objects are also targeted at people who have bought children's clothing, including those who have bought children's clothing for their own or relatives and friends. A total of 30 valid questionnaires were collected in this survey within 20 days. Through sorting and summarizing the questionnaire data, it is expected to find out some purchasing preferences of current consumers, understand the current situation of children's clothing market demand to some extent, and predict the demand, so as to provide some ideas for the marketing strategy of the project. However, considering the limited number of samples in the questionnaire, the survey and analysis results will only be used as a reference to some extent. In practice, the project will combine industry data and market information more for analysis and decision-making.

The number of female respondents in this questionnaire is large (more than 64%); The age distribution is mainly 31-40 years old (about 47%), followed by 26-30 years old (about 35%), and 18-25 years old (about 12%); Because it is an online questionnaire, there are fewer middle-aged and elderly people involved, and the respondents have a good educational background. The result shows that the total number of people whose monthly income is more than 4000 Yuan accounts for more than 80%, and they generally have certain consumption capacity. The children are mainly young children (4-6 years old) and infants (0-3 years old), with little difference. The total number of children in these two age groups accounts for more than 70%, followed by middle children (7-12 years old), accounting for about 26%.

As shown in Figure 4-1, the consumption price of children's clothing is the most popular in the range of 100-200 Yuan (47.22%), followed by the price range of 200-300

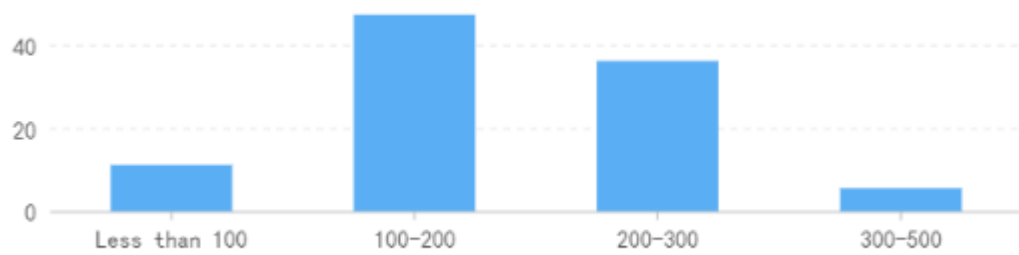


Figure 4-1 Consumer price of children's clothing

In the choice of children's clothing texture, parents generally prefer pure cotton (46%), and knitted clothing is also the type that parents prefer.

When parents buy children's clothing, the main factors they consider are as shown in Figure 4-2, mainly in three aspects: fabric and comfort, quality and workmanship, style and style. Parents care about clothing price in the fourth place. The last two factors are brand image and shopping environment. Compared with the first four factors, parents do not care about brand and shopping environment.

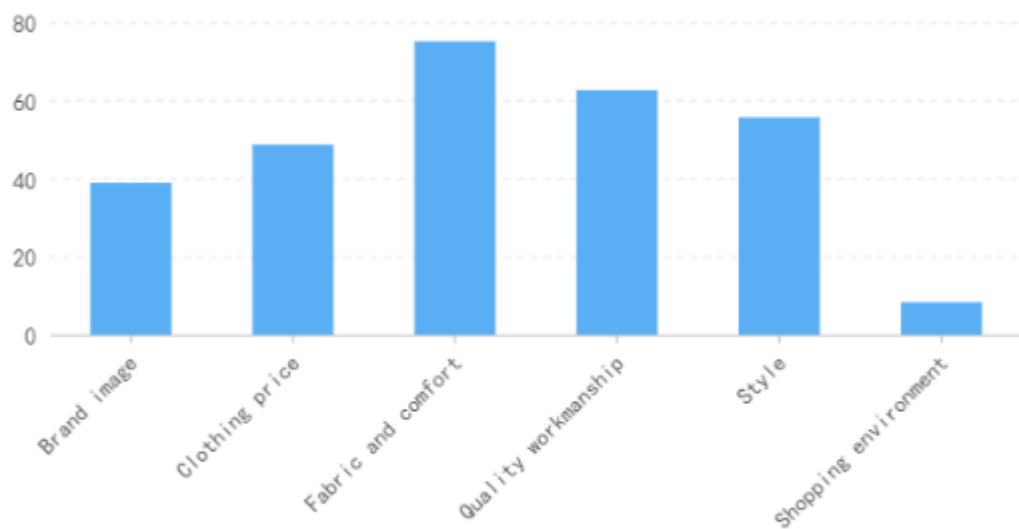


Figure 4-2 Factors considered by parents when purchasing children's clothing

In addition, consumers have the highest proportion of online shopping (about 70%) in the choice of channels to buy children's clothing, and about 50% of consumers choose both online channels (online shopping) and offline channels (specialty stores, department stores, general stores). It can be seen that both online

and offline are important, but online is more popular. Among the various promotional activities of merchants, the most popular way for consumers is discount promotion (accounting for 52.78%), followed by raffle, member points offset cash.

Section 5

Conclusion and Suggestion

5.1 Conclusion

This business plan studies the feasibility of the project from various aspects. Through the analysis of the macro environment of clothing and children's wear industry, as well as the relevant data of China's current economic development, it is found that the children's wear industry has broad prospects. After the full liberalization of the second child policy, the number of children has increased, and parents attach more importance to children than ever before. China's children's clothing industry will usher in a good opportunity for vigorous development. However, a good project prospect is just a good start. The strategy, marketing, team building, operation management, financial planning and risk control involved in the business process are all factors that must be considered. They play an important role in the successful implementation of the project. This paper considers and analyzes the above important factors involved in the project, and draws the following conclusions:

Conclusion 1: From the perspective of strategic development, compared with men's and women's clothing, children's clothing has more development potential and market space in the clothing industry, and the development opportunity of this project is good. G Clothing Company's children's wear project will adopt the online and offline linkage development model, combining the advantages of online business flow, capital flow, information flow and offline logistics, service, experience and other advantages, which can play a complementary and mutually reinforcing role. When formulating the development strategy of the project, this paper analyzed the macro environment of the project through PEST analysis method, and the country issued a series of policies and regulations to support the industrial upgrading, independent brand building and intelligent manufacturing of the textile and clothing industry.

Conclusion 2: From the perspective of industry competition strategy, the market segment of this project will focus on children's knitting series clothing aged 0-12 years. The target market is mainly urban families. The brand is positioned as mass

basic+high price classic fashion with a sense of design. At present, the children's wear market is mixed, the quality is uneven, and the adult design of children's wear is serious. While pursuing high quality, the main children's wear of this project will also pay attention to the safety, intelligence and interest of children's wear. When marketing and promotion, more consideration will be given to the uniqueness of children and experience marketing will be strengthened to create a good reputation. This paper analyzes the product, price, channel and promotion of project marketing by using the 4P strategy of marketing mix. The product orientation of the project is high-quality children's wear; In terms of price formulation, because it is directly supplied by the factory and there is no intermediate link, the project can achieve high cost performance on the basis of ensuring profits, and the price is more user-friendly than other high-end children's clothing. However, in order to avoid price conflict between online and offline, the project will unify all sales prices, and price concessions will be conducted through member discounts, which can not only implement differential prices, but also accumulate stable passenger flow; In terms of channel promotion, online and offline linkage sales are carried out to promote experiential marketing. A part of children's clothing is displayed through offline physical stores, and more children's clothing categories are displayed and sold through online channels, which can not only save store operating costs, but also save customers' time. Customers can buy directly from the classified online links, or find their favorite styles online first, and then contact offline stores to try them on before buying; The promotion strategy of the project is mainly to promote sales by means of member points, selling children's clothing together with other children's peripheral products, cooperating with relevant enterprises to conduct mutual drainage, borrowing foreign pop-up sales and other new forms to make customers feel the urgency of purchasing, marketing activities for all employees and other strategies.

Conclusion 3: From the perspective of financial forecast and value valuation, this paper analyzes the investment value of the project by measuring the financial indicators such as the net present value of investment (NPV) and internal rate of return (IRR). According to the incremental cash flow of the project and the discount rate of the project (12.65%), the NPV of the project is calculated as 14922900-7

million=7922900, which is far greater than 0. The project can bring returns to the investor and has investment value. At the same time, the internal rate of return (IRR) of the project is 37%, and the modified internal rate of return (MIRR) is 29%. These two data are also higher than the return/discount rate (12.65%) required by investors, which is acceptable for the project.

To sum up, this project is a project with good development prospects. During the operation of the project, effective management is carried out on marketing promotion, customer service, product quality and other aspects, and appropriate risk control measures are taken. The project risk is also controllable. It is hoped that the research in this paper will have some inspiration for this project or other similar enterprises.

5.2 Suggestion

The research of this paper mainly focuses on R&D design and brand marketing to improve the added value of products. This paper focuses more on the strategic analysis of brand marketing, but does not discuss the content related to R&D design. Looking forward to the future, there will be more excellent brands in the children's wear industry. If enterprises want to establish high-end children's wear brands and expand their brands, they need to strictly control and innovate in all aspects of production and operation, so as to realize the efficient operation of the whole process from R&D design, production and manufacturing to brand marketing and promotion. It will be necessary to conduct in-depth research on how to ensure the company's R&D and design strength, and how to apply new materials and technologies to children's wear design.

Appendix

(Interview form, List of interviewees)

Questionnaire on children's clothing

Dear Sir/Madam, thank you for taking the time to fill out this questionnaire in your busy schedule! We are conducting a survey of the children's clothing market. This survey is only used for general academic research. It is anonymous and will not reveal personal privacy. Please fill it in according to your actual situation. Thank you again for your valuable time. Thank you!

<p>1、 Your gender: (single choice) A. Male; B. Women</p>
<p>2、 Your age: (single choice)</p> <p>A. 18-25 years old; B.26-30 years old; C. 31-40 years old;</p> <p>D. 41-50 years old; E. Over 50 years old</p>
<p>3. The child's age is: (single choice)</p> <p>A. 0-3 years old; B.4-6 years old; C.7-12 years old; D. Over 12 years old</p>
<p>4、 How often do you buy new clothes for your children? (Single topic)</p> <p>A. Every month; B. One quarter; C. Look at the growth of children; D. Look at the economic situation</p>
<p>5、 What is your price for children's clothing? (Single topic)</p> <p>A. Less than 100 yuan; B.100-200 yuan; C. 200-300 yuan;D. 300-500 yuan; E. More than 500 yuan</p>
<p>5、 What kind of texture do you think is better for children's clothes? (multiple choice questions)</p> <p>A. Pure cotton; B. Fiber; C. Knitting; D. Denim; E. Cotton wool;</p>

6、 What factors do you consider most when buying clothes for your children? (multiple choice questions)

A. Brand image; B. Clothing price; C. Fabric and comfort; D. Quality workmanship; E. Style; F. Shopping environment;

7、 What channels do you usually get information about children's clothing? (multiple choice questions)

A. TV advertising; B. Network; C. Newspapers; D. Magazine;

8、 Where do you usually buy clothes for your children? (multiple choice questions)

A. Exclusive stores; B. Department store counter; C. Ordinary shops; D. Online purchase

9、 Do you and your family generally consider the children's opinions when buying new clothes for children? (Single topic)

A. It is basically selected by children; B. Give priority to family opinions;

C. As appropriate

10、 Why do you usually buy children's clothes for your children? (multiple choice questions)

A. Change seasons; B. Business promotion; C. Children's requirements;

11. What impressed you most about the following promotional activities for children's wear? (Single topic)

A. Discount promotion; B. raffle; C. Recharging gift ; D. Member points

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Biography

Name- surname	Xin Quo
Date of birth	April 27, 1992
Place of birth	Hebei Province, China
Address	Haigang District, Qinhuangdao City, China
Workplace	Yanshan University
Position	Comptroller
Education	2014, Bachelor of Management, Shijiazhuang University of Economics