

CustoMayD Designs — Business Strategy Analysis

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The following is a strategic business analysis for CustoMayD Designs, a sustainable custom footwear brand committed to conscious capitalism, local community impact, and a unique customer experience. This analysis covers market opportunities and threats, core values, customer experience strategy, operational frameworks, price sensitivity, and market development recommendations.

Opportunities and Threats

A1: Opportunities

An excellent opportunity for CustoMayD Designs to attract more customers while continuing to practice conscious capitalism is to host a fundraiser at their store. They need to decide how often they would like to host it, the amount of proceeds they would like to donate, and which charity. For example, the store could host a fundraiser one weekend every year that donates 20% of their profits from those days to their local food bank. The fundraiser would help the chosen charity with their monetary donation and would create an opportunity to educate the public about the cause while increasing

awareness for the charity. From a business perspective, this would help bring in customers who would not purchase but want to contribute to a good cause, increase word-of-mouth marketing for CustoMayD Designs, and help create their brand image of being a company that cares.

Another excellent opportunity for CustoMayD Designs would be to partner with an organization in their community that provides opportunities for underprivileged children. The local YMCA or Boys and Girls Club of America usually runs such organizations. They can partner with these organizations to “hire” some of the kids in the program who are of age and allow them to learn employable skills. This would provide CustoMayD Designs with some extra help with overhead costs, as they would only need to pay these group members a small amount (or at all, depending on how the program they belong to works). A program like this would also give CustoMayD extra exposure to a younger market. It would benefit their local community by helping these children stay out of trouble, learn the value of money and work, and provide them with employable skills to help them get future jobs.

A2: Threats

A significant threat to CustoMayD Designs is its competitors, who do not hold themselves to the same ethical standards as CustoMayD. Unlike CustoMayD, many of their competitors violate international labor standards, allowing them to produce and sell their products at a much cheaper rate. To mitigate the threat of its competitors selling products at a more affordable rate, CustoMayD needs to emphasize the characteristics that differentiate it from its competitors, precisely its stance on conscious capitalism and

sustainability and its focus on the customer experience. This will help them stand out against their competitors and allow consumers to justify paying more for CustoMayD Designs' products.

Another threat for CustoMayD Designs is its competitors, who have an online presence. The convenience of online shopping is unmatched. Online shops can also customize products for customers, removing differentiation value from CustoMayD. CustoMayD can mitigate this threat by forming an online presence. This can be a partial online shop. They can have a website that simply introduces themselves, their product, and their processes. This way, consumers can research ahead of time to see what the business represents, what products they can buy from them, and how the process works once they go to the physical store. While an informational website does not provide the convenience of online shopping, it allows for a smoother, more informed process for customers once they go to the physical store. An informational website is also a great way to market, as they have complete control and unlimited space to write about the company and products.

B: Core Values

B1: Sustainability

CustoMayD's mission statement mentions sustainability as a significant core value of the company. They honor sustainability by including only organic, recycled materials and adopting a zero-waste manufacturing process using automated 3D manufacturing. Their mission statement says they only use local production sites that

exercise sustainable practices, so the consumer knows the product and company are sustainable from start to finish.

B2: Local Community Impact

Another of CustoMayD Designs' core values is positively impacting their local community. CustoMayD Designs does this in multiple ways. They provide local consumers with the ability to purchase quality, custom products they may have not previously been able to afford. Their mission statement includes that they invest in local production sites. Doing so supports local businesses and their employees, positively impacting the economy. Helping the local economy and putting money back into local workers' pockets helps regenerate lower-income communities.

B3: Customer Experience

Lastly, the company demonstrates a core value of creating an impressive customer experience. Having custom products is just the start of the unique experience, as Diego also wants customers to witness part of the 3-D printing process. CustoMayD Designs' mission statement calls for a "customized shoe *experience*," giving the idea that they want to provide more than just a product.

C: High Touch Approach

A high-touch approach would assist CustoMayD Designs with maintaining its core value of having a unique customer experience. Having more employees in the store allows for more opportunities to learn about the different customization options CustoMayD Designs offers and how consumers can benefit from them. With

customization being a main highlight of their products, being educated about the different options is crucial for the customer to be satisfied with their product. A high-touch approach requires many employees, boosting local employment, which is also essential to CustoMayD Designs.

D: Continuous Improvement Tools

A great continuous improvement tool for CustoMayD Designs to utilize is the Lean Process. The Lean Model will help CustoMayD run efficiently by removing waste from its processes. To reduce waste and unnecessary inventory, the Lean Model follows pull manufacturing, meaning the value stream begins with the customer purchasing the product to avoid over-producing stock inventory. This aligns with CustoMayD's customization process since they can only begin making a custom product once the customer purchases it.

To succeed with the Lean Model, CustoMayD will need strong communication between team members from each department who can report to a sponsor who leads the process for any necessary changes. The sponsor must clearly communicate the company's goals to the team so each department can identify areas of concern in their specific field that may hinder reaching that goal.

E: Customer Price Sensitivity

CustoMayD's overhead costs will be higher than those of the typical shoe store. To make a profit, their products will also need to cost more. Luckily for CustoMayD, two

of its highlightable characteristics, sustainability, and unique customer experience, help decrease price sensitivity.

Sustainability

Sustainability, one of CustoMayD's highlightable characteristics, helps decrease customer price sensitivity. Sustainability is tailored for customers who value long-term interests that supersede short-term cost concerns. It appeals to the mass customer base that considers environmental and social accountability in making their purchase decisions, securing a loyal customer base that does not mind paying a premium for products that give back to its ethical standards. There is also an attached perception of quality corresponding to sustainability that justifies these higher prices. Moreover, due to enhanced environmental awareness, customers are more aware of the actual cost of unsustainable practices. They are far more willing to pay a higher price for the corresponding sustainable options. The perceived value of sustainability places less emphasis on the price alone and diminishes price sensitivity.

Customer Experience

A unique customer experience can drive down price sensitivity by creating a link between a positive memory and the brand. When customers are offered some unique and personalized experience, they often realize more value in a product or a service than its functional benefits. This added perceived value leaves them less price sensitive, for they associate the brand with good feelings, superior service, and higher exclusivity. Moreover, it can make a brand outstanding among its competitors and reduce the risk of losing customers over price issues. It means customers value the experience aligned

with them on a deeper level, for which they have premium pricing to be created. The joining between a brand and a customer is thus reinforced, and attention to cost is reduced.

A great example of this is Build-A-Bear. Most people would not pay the cost of a Build-A-Bear for just any stuffed animal. The extra cost is paying for the value of the experience and the customizations that go into the stuffed animal.

F: Market Development Strategy

A market development strategy for CustoMayD Designs would be to create customizable products catered specifically to athletes, going beyond a customizable sneaker. This line would cater to a different market segment than CustoMayD originally planned for without creating an entirely new product. CustoMayD could adjust its customizable footwear to include sport-specific options, such as soccer cleats, football cleats, surfing booties, horseback riding boots, etc. These products can be customizable for performance and comfort while allowing athletes to customize the design to specific team colors and themes.