


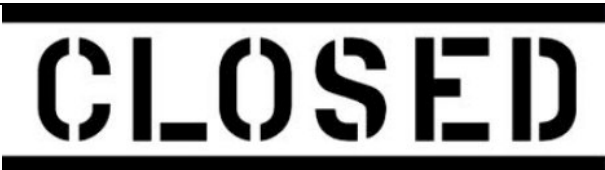
## I. Brand Descriptions

<b>Brand Name:</b>	Aritzia
<b>Logo:</b>	
<b>Parent Company:</b>	ARITZIA LP
<b>History/About Company:</b>	<p>Aritzia was founded in 1984 by current CEO, Brian Hall in Vancouver, Canada. Aritzia LP is a private company that carries its own brands. From the beginning, Brian Hall and his team recognized that he wanted the company to be based off the vertical model for integration with in-house labels (Wagler). Aritzia stores sell clothes from their own exclusive brands including Wilfred, Wilfred Free, Le Fou, TNA, Talula, Babaton, A Moveable Feast, Community, La Notte, Sunday Best, Paradise Mine, The Castings, SIXELEVEN, and Auxiliary (Aritzia.com). Stores also carry third party brands such as Rag &amp; Bone, J Brand, Marc by Marc Jacobs, Frame Denim, Mackage and Alexander Wang (Indvik, 2014). Aritzia LP not only operates Aritzia stores, but has also recently launched a few stores of their in-house brands, TNA and Wilfred. TNA has eight locations whereas Wilfred only has two.</p> <p>Aritzia was started as a single boutique, and as they expand, the company still strives to keep that boutique feel, much like Anthropologie stores (Indvik, 2014). Boutiques have a sophisticated and welcoming aesthetic. They use high-quality natural materials with ambient lighting and warm finishes creating a warm, but casual atmosphere. No two stores are the same; they are designed individually with the same aesthetic goal</p>

	<p>(Aritzia.com, 2014).</p> <p>When Brian first founded Aritzia, he saw an opportunity which was that the buying power of women was increasing (Wagler, 2008). Aritzia has been built into one of Canada's most popular clothing retailers for young women today; it has been around for thirty years and owns more than 60 boutiques across North America in the US and Canada (Zoom Information Inc, 2014).</p>
<b>Markets brand is currently being sold within and channels of distributions:</b>	<p>Aritzia is currently being sold in Canadian locations including: Vancouver, Ottawa, Calgary, Toronto, Victoria, Whistler, Winnipeg, Montreal, and Edmonton. They also have various locations in the US such as San Fransisco, Chicago, Seattle, Santa Clara, Dallas, New Jersey, Portland and New York (Aritzia.com, 2014). Their largest store is their flagship store in New York City which opened in November 2012 along with their website (Edelson, 2012).</p> <p>Channels of distribution include E-commerce where you can shop online at Aritzia.com and stores across Canada and the US. Their website was launched in November of 2012 and showcases the entire product collection where it is labeled and allows customers to order product offline. The website also provides a digital magazine featuring profiles of artists and galleries of clothing trends (Aritzia, 2014).</p>
<b>Brand Message:</b>	<p>Aritzia is a fashion boutique that is innovative; it cherishes design and quality while being hip and stylish at the same time. Aritzia mixes fashion with art and offers beautifully designed clothing that are on-trend, of high quality, and of good value; they are not a fast fashion brand, but rather a high quality brand that offers stylish clothing to women who seek to shop in unique boutique settings (Aritzia, 2014).</p>
<b>Target Consumer:</b>	<p>Young women ages 15-30 with an eye for style and the income to purchase it (Amed, 2009). The brand is hip and accessible at the same time, but it is not fast fashion (Indvik, 2014). Aritzia is for the shopper who aspires to be a boutique shopper, but is not going to hunt down the latest hip and independent shop around (Di Verdi, 2013).</p>
<b>Brand's Performance in Home Market:</b>	<p>Aritzia is currently one of Canada's most popular brands for young women (Zoom Information Inc., 2014); it is one of the best known and most beloved in Canada (Indvik, 2014). When Aritzia first opened in</p>

	<p>Vancouver, the business did okay, but once they reached the opening of their third store, they started to thrive in the market. Today, these three stores have the highest sales per square foot of any retailer in North America (Ahmed, 2009). The brand wanted to vertically manufacture their own product and revamp their concept to expand, which they did and succeeded. The concept of the brand clicked right away with consumers, especially in Toronto (Ahmed, 2009).</p> <p>Aritzia does not spend money on ad, nor do they want to. Hill, CEO of Aritzia, prides himself on his track record for zero dollars spent on advertising (Di Verdi, 2013). The company relies on word-of-mouth, and prime storefront locations to reach its shopper. Aritzia has also embraced the modern public relations push creating a relation with style bloggers, building social media buzz, and outfitting Hollywood stars (Di Verdi, 2013). For example, Aritzia suited up Canadian Bachelorette, Jillian Harris, in one of their hoodies which was a reference to the 2010 Vancouver Olympics that was unauthorized; it was a very slick move on Aritzia's part (Di Verdi, 2013). This advertising strategy has worked well for the company's slow and steady growth in Canada as it is one of the more successful brands in Canada.</p>
<b>Plans for Market Expansion:</b>	<p>Aritzia has been finding the U.S. a bit more challenging, not because they began expanding during the recession, but because they aren't reaching the American market as well as they thought they would. Hill is not worried though; he is confident about long-term opportunity in the U.S. market. He recognizes that the company will have to do a lot more research in the U.S. to really understand what the consumers want. They realize that they will have to tweak their model to match the American market. Thankfully their model that they have now allows flexibility to be responsive to the consumer (Amed, 2009).</p> <p>Today, Aritzia is determined to succeed the North American market as they have been since the beginning. They continue to expand into the U.S. slowly and steady. Their business in the U.S. has been healthy so they plan on continuing the opening of stores (Moretti and Lee, 2013). According to Hill they are very selective when selecting their real estate. There is no desire for</p>

	<p>the southern half of the U.S. yet, but they do plan to fill the northern half of the country with more stores, adding only three to four location a year (Di Verdi, 2013). They do hope for future expansion into the southern half of the U.S., but it all depends on whether or not they can solve the climate issues. They know that they will have to tackle the issue at some point and when they do it will open a lot of opportunities for them, but for right now they are focusing on the northern half of the U.S. (Edelson, 2012). The plan is to saturate Aritzia into the market as it is very isolated in its select locations right now.</p>
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<b>Brand Name:</b>	Closed Denim
<b>Logo:</b>	
<b>Parent Company:</b>	Closed GmbH
<b>History/About Parent Company:</b>	<p>Closed Denim, originally name Ca, was founded in 1978 in Italy by Marithe and Francois Girbard. The couple had to change the name because of a copyright infringement (Bishop, 2014). The company invented the stonewash-procedure in the 1980s , which helped them hit the high mark and conquer the denim market.</p> <p>Today, Closed Denim is based in Germany, but most of the products are made in Italy in the world's best denim manufactories. It is a private company headquartered in Hamburg, Germany (Fashionbi, 2014). Closed Denim is an international lifestyle brand is ran by three directing managers: Gordon Giers, Til Nadler, and Hans Redlefsen; they purchased the company back in 2004 (Modemonline.2014).</p>
<b>Markets brand is currently being sold within and channels of distributions:</b>	<p>Closed denim is distributed globally. It is sold worldwide through its own thirty-two boutiques which are located in European countries such as Germany, Austria, France, and the Netherlands (Closed.com, 2014). Closed denim is also distributed through leading department and</p>

	Concept stores and the brand's own e-commerce site (Closed.com, 2014). Specifically, Closed Denim is sold at Anthropologie stores and other online retailers such as shopstyle.com.
<b>Brand Message:</b>	Closed Denim is a brand that cultivates a young, fresh look at everyday life. The brand's style is effortless which results from a mix of sportswear, denim, utility, and fashion codes.
<b>Target Consumer:</b>	Closed Denim's target consumers include children, and millennial men and women who desire a lifestyle clothing brand with style and with the disposable income.
<b>Brand's Performance in Home Market:</b>	Closed Denim is not the leading brand in Germany, but it has 23 stores throughout the country. The brand is, however, increasing in popularity in the US with Hollywood stars such as Patrick Dempsey, and Katie Holmes.
<b>Plans for Market Expansion:</b>	<i>Due to Closed Denim being a private company and a very small brand, it was difficult to surface information about the brand. There was very limited information and no information on their plans for market expansion.</i>

## **II. Cultural/Social/Economic Environment of Brand's Origin Country**

<b>Aritzia</b>	
<b>Origin Country : Vancouver, British Columbia, Canada</b>	
<b>Overview of home countries cultural environment:</b>	<p>Vancouver is a city of migrants; it is home to a broad range of ethnic groups which include a large population of Asians (Vietnamese, Chinese, Korean, etc.) and Europeans (UK, Italy, Croatia, etc.) A diverse mix of ethnicities means many different languages are spoken. The city is a blend of ethnicity and culture and has a lot to offer (National Geographic, 2014).</p> <p>Japanese, Chinese, First Nations, Indian, and Italians are prevalent cultures in Vancouver. In fact, Vancouver is home to the third largest China Town in North America (Metro Vancouver Convention and Visitors Bureau, 2014). These cultures have influenced the development of the city in many ways. Visitors will find that cultures have been incorporated into architecture, life styles, cuisine, art, businesses, etc. For example, there are many serene public gardens throughout the city with cherry trees planted throughout (Metro Vancouver Convention and Visitors Bureau,</p>

	<p>2014).</p> <p>Vancouver, British Columbia is a respectful city/country and people are very soft spoken in this city. The locals work very hard to keep their environment around them clean and they do whatever they can to keep it that way (National Geographic, 2014). They are very proud of their city and culture and work hard to conserve the city and its beauty.</p>
<b>Countries population:</b>	610,000 (World Population Review, 2014).
<b>Countries Legal System:</b>	British Columbia is a province governed by an 85-person legislative assembly. From the 85-members, a prime minister is voted upon (McCullough, 2014). In tradition British parliamentary fashion, a cabinet of about two dozen ministers are also chosen. British Columbian politics are highly influenced by American political culture compared to other parts of Canada (McCullough, 2014).
<b>Countries Market System:</b>	British Columbia did not have any information on their market system, but Canada as a whole runs on a market system that resembles the US in its market-oriented economic system, pattern of production, and high living standards (The World Factbook, 2014).
<b>Political Environment:</b>	British Columbia's government is a Constitutional monarchy. It is governed by the Liberal Party which is nothing like the federal Liberal party. B.C.'s Liberal party is a diverse group made up of different political backgrounds. British Columbia is known for having politically active labor unions (McCullough, 2014).
<b>Major Trade Agreements:</b>	British Columbia has strong trade ties with countries in Asia and is an important hub for North American trade. British Columbian businesses operate under trade agreements within Canada and international markets such as the World Trade Organization and the North American Free Trade Agreement. B.C. also has trade agreements with China, India, Japan, South Korea, and Europe (Trade and Invest BC, 2014).
<b>Economic Outlook:</b>	British Columbia has a long history with Forestry, mining, and fishing; it's a huge player in providing jobs for residents of B.C. British Columbia has eight regions including Vancouver which is an important center for business, people, and transportation (British Columbia, 2014). British Columbia's economy is constantly growing and changing. The province mostly relies on the service sector, but is currently developing its natural gas sector (British Columbia, 2014).

<b>Closed Denim</b>	
<b>Country of Origin: Germany</b>	
<b>Overview of home countries cultural environment:</b>	German residents are very goal oriented. They like to plan and to have structure in their business and home life. They do not, however, mix business and home life together (German Culture, 2014). Germans are very formal and work towards perfection. When greeting each other they shake hands no matter what age (German culture, 2014). A typical German diet includes pork, bratwurst, cabbage, beets, potatoes, sauerkraut and beer. Germans hold the title for third best in the world for beer. Starting mid-September, Germans hold the world-famous Oktoberfest Beer festival in Munich, which happens every year (German Culture, 2014).
<b>Countries population:</b>	Germany is home to 80, 996, 685 people.
<b>Countries Legal System:</b>	Germany's legal system is based off of Civil Law. (EW World Economy Team, 2013). It is a Federal Republic and is a democratic, federal and social constitutional state (Facts About Germany, 2014).
<b>Countries Market System:</b>	Germany uses the Social Market Economy for their economic system (EW World Economy Team, 2013). They are a free market (Heritage.org).
<b>Political Environment:</b>	As stated before, Germany is a Federal Republic (Facts About Germany, 2014). It is based off a constitution. There are three main parts to the government: Executive branch, Judicial branch, and Legislative branch. The Executive branch includes a president. The Judicial branch is made up of 127 judges who make the "Federal Court Justice" and the legislative branch is a Federal Council that is represented by the different states of Germany (Facts About Germany, 2014). The political system as a whole creates a stable environment for Germany.
<b>Major Trade Agreements:</b>	Germany is a leading exporter. They have the ability to manufacture due to their industrialization which makes them a leading exporter in the world. Germany is part of the European Union, which supports negotiation of free trade agreements (Federal Ministry of Food and Agriculture, 2014). Germany is a participant in the WTO and has been a

	member since January 1955 (World Trade Organization, 2014). Since Germany is a member of the EU, this makes them a part of the World Trade Agreement (Germany Exports, Inputs, and Trade, 2014). Germany also has a trade agreement with the United States which makes trading between the two easier; it is called the "Germany, Friendship, Commerce and Navigation Treaty" (Export.gov, 2014).
<b>Economic Outlook:</b>	Germany operates as a free market (Bayley, 2014); it is rated as one of the top 20 freest economies in Europe Due to its high industrialization and trading, Germany is one of the leading economies in the world. I (Heritage.org, 2014). Germany has a low unemployment rate of 5.5% (Heritage.org, 2014). 70% of Germany's exports are to other European countries while the other 30% go around the world (EW World Economy Team). Germany is one of the top economies in the world.

### **III. Evaluation**

After researching the companies, I decided to rank Aritzia first. Aritzia is a private company founded in Vancouver, British Columbia by Brian Hall in 1984. It is a Canadian based company that has pride in where it is from, but does not like to flaunt the fact that they are a Canadian based company so they can easily blend in with other locations and their cultures.

Aritzia is already slow expanding into the northern half of the U.S. and although they aren't doing as well as they hoped, they still have a positive outlook for their future expansion. As a company with a marketing plan that has room for adaptations, the company should be able to thrive in a market after doing their research and launching the appropriate campaign for the brand. Because the Canadian market structure is already very similar to the American market structure, there should be no reason that they could not tweak there business plan to fit the American needs and thrive in the market.

Aritzia is a brand that offers quality and style at a reasonable price point and sells their own in-house brands. This business structure is very similar to those of Anthropologie's and Zara's so they will be entering a market that will be very competitive already so gaining loyal customers may be a bit difficult. If Aritzia is successful in the U.S., which I don't see why they should not be, then they should be able to keep on expanding westward towards Asian countries such as China and into European countries as well.

Closed Denim is ranked second because it is very limited in company information and plans, but it is still a promising brand in global expansion. Closed denim is a German based company that is already sold in multiple European countries. The brand is beginning to gain popularity in the US. So far it is only sold in a few online stores and Anthropologie, which it should continue, but with the right strategy the brand could thrive in the American market. Closed Denim is running their business in the very industrialized, German economy which is one of the leading economies in the world. This experience could allow a successful expansion as long as the company is willing to



adapt. Although the brand does carry a great line of denim, they must go in knowing that there is a downside to globally expanding Closed Denim: there are a lot of denim brands in the market already, which already have loyal customers, so it may be a little harder to gain loyal customers at the beginning stages of expansion. It would make sense for Closed Denim to expand more into the US along with other high-end department stores or local boutique like stores and into the western countries such as China, Japan, Singapore, Taiwan, etc.

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