

University of Mississippi

eGrove

Honors Theses

Honors College (Sally McDonnell Barksdale
Honors College)

Spring 5-9-2020

The Future's So Bright: A Business Plan and Market Research Analysis of Frazee

Elizabeth Lanford

Follow this and additional works at: https://egrove.olemiss.edu/hon_thesis



Part of the [Business Administration, Management, and Operations Commons](#), [Communication Technology and New Media Commons](#), [E-Commerce Commons](#), [Entrepreneurial and Small Business Operations Commons](#), and the [Social Media Commons](#)

Recommended Citation

Lanford, Elizabeth, "The Future's So Bright: A Business Plan and Market Research Analysis of Frazee" (2020). *Honors Theses*. 1418.

https://egrove.olemiss.edu/hon_thesis/1418

This Undergraduate Thesis is brought to you for free and open access by the Honors College (Sally McDonnell Barksdale Honors College) at eGrove. It has been accepted for inclusion in Honors Theses by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

The Future's So Bright: A Business Plan and Market Research
Analysis of Frazee

By: Elizabeth Lanford

A thesis submitted to the faculty of The University of Mississippi
in partial fulfillment of the requirements of the Sally McDonnell
Barksdale Honors College

University, Mississippi

May 2020

Approved:

_____ Advisor: Clay Dibrell

_____ Reader: Scott Fiene

_____ Reader: Rich Gentry

ACKNOWLEDGEMENTS

I would like to thank Lindy Goodson for going on this adventure with me and making this such a fun experience. This never would have been possible without her optimism, creativity, and tenacity. Big dreams turn into big plans!

I also want to thank everyone at the Ole Miss Center for Innovation and Entrepreneurship for the constant encouragement and helping us find the resources we needed to make this happen. More specifically, thank you to Tong Meng and Owens Alexander for always being our biggest cheerleaders and allowing us to come vent and talk out our problems in the office.

Finally, thank you to all of our friends and family who have constantly supported us doing this even though it was a little crazy there at the beginning. Thank you for helping us with bulk orders and letting us store supplies all over your homes. You've invested a lot into this and I hope you're proud of what we have done.

ABSTRACT

This thesis is an overview of the creation and operation of Lindy and Liz, LLC dba Fraise. Fraise is an online boutique specializing in custom, beaded sunglasses. This thesis contains details of the founding, operation, and future of the business. The following business plan will give insights to marketing strategies, target audience demographics, and sourcing procedures.

Accompanying this business plan is market research relevant to the target market of Fraise. Part I details secondary research about the effects of social media on this target market and their consumption habits. It also contains insights about the products and marketing techniques most likely to reach them. Part III contains a survey conducted to gauge attitudes about social media and consumption habits from Fraise's target market.

As social media becomes more and more commonplace, it influences the kinds of things people want to buy and the way they use them. Understanding this target market's perceptions about the role of social media and product consumption will help develop productive marketing strategies and new ways to offer value through products.

Additionally, this thesis includes a financial breakdown of Fraise's operations since 2018 as well as forecasts for the next few years of growth. This growth is expected as a result of the co-founders graduating and working on the business full time as well as finalization of outsourced bulk production. These factors should allow for more dramatic growth over the next few years.

TABLE OF CONTENTS

ABSTRACT	3
PART I: MARKET RESEARCH.....	7
A. Introduction	7
B. Choosing Instagram as a Platform.....	7
C. Who Is Being Targeted.....	8
D. The Fight for Attention.....	12
E. Conclusion.....	14
PART II: EXECUTIVE SUMMARY	16
A. Introduction	16
B. Company Description.....	16
C. The Problem	17
D. Industry Analysis.....	18
E. Target Market	21
F. The Competition.....	22
G. Solution	24
H. Business Model	25
I. Go To Market Plan	26
J. Operations	28
K. The Team	29
L. Social Responsibility.....	29
M. Financial Plan.....	30
N. Milestones	30
SUMMARY	32
APPENDICES	33
Appendix A - Survey	33
Appendix B – Lean Canvas	41
Appendix C – Financial Model	42
A. Revenue.....	42
B. Direct Costs	43

C. Expenses.....	44
D. Projected Profit and Loss	45
E. Projected Balance Sheet.....	46
F. Projected Cash Flow.....	47
WORKS CITED	48

PART I: MARKET RESEARCH

A. Introduction

It is hard to overstate how important Instagram has been to accessing and communicating with our target audience. Instagram and its importance in current popular culture has helped to create value for our product other than the physical or fashion value associated with traditional sunglasses. Most of this came about as a result of intuition and the founders actually being, and therefore understanding, teenage girls on the internet. As Instagram is relatively new and constantly evolving, it can be difficult to find relevant academic research about how to best use it to market to specific audiences (Virtanen, 469). Sometimes the easiest and most efficient way to do market research is to explore content and trends on the app. However, in this paper I will explore themes that explain our target audience, how they consume media, how this affects their consumption of goods, and how this process has created value for our product through social media marketing.

B. Choosing Instagram as a Platform

Although choosing Instagram as our primary marketing platform was an instinctual choice, there is plenty of research to back up why that decision made sense. As a company starting with no revenue, it made sense to choose a social media platform where one could create content and engage with one's audience for free. Additionally, the people we wanted to reach were already using Instagram and making it part of their daily habits. Virtanen says, "Instagram reported having 600 million monthly users, the majority of whom use it on a daily basis" (471). Instagram is the best opportunity to reach a

younger audience without having to worry about your content reaching the wrong audience as most users on Instagram are ages 18-29 (Virtanen, 469). It is important to focus on young consumers because they are taking up more and more of the market for things like luxury goods. According to Kusumasondjaja, “The primary engine for luxury market growth today is a generational shift as 85 per cent of this growth in 2017 came from young consumers” (1). Instagram marketing has proved to be the best way to reach this younger audience and market our products to them.

C. Who Is Being Targeted

Among young people on Instagram, there are two distinct groups who are representative of the target market for Frazee. These two groups are in many ways similar, but have different motivations when it comes to their interactions with media and their motivations for consumption. According to Morrison, “many modern cultural theorists [...] refer[s] to media exposure as a factor of coming of age today” (14). The themes that are represented in the media they consume affect their motivations and how they view the world.

One of these themes is the importance of youth. Morrison suggests, “Due to a higher standard of living, reluctance about early marriage and a ‘culture of narcissism,’ young people are now especially able to explore and celebrate their youth” (16). Teen culture is not just limited to teens. This youthful lifestyle has extended into older age groups as well. Morrison states, “Society exalts youth to the extent that people in their middle ages embrace youthfulness” (16). This wider range of youth-seeking means one has to break down one’s target audience into more specific sub-groups. This emphasis on

the importance of youth also means older people will be looking to these groups to determine what is “cool” and trendy.

We have broken the target market for Fraise into two different groups, the main differentiation being age. They have similar socio-economic backgrounds and there is some overlap between the two. However, there are subtle differences in culture and worldview that can be important to take into account when trying create products and a brand that appeals to both.

1. VSCO Girls

This first group, named after the VSCO photo-editing app, has recently become solidified and labeled as a result of Tik Tok memes and YouTube challenges. Melissa Singer describes them this way, “VSCO girls, a subculture of mostly white, middle-class girls who dress seemingly alike and seek to promote an air of wholesomeness, compared to archetypal Millennial influencer, epitomized by the likes of the Kardashians” (1). This group of girls belongs to Generation Z. They tend to be more brand conscious. Many of the stereotypical brand identifiers of a VSCO girls are Crocs, HydroFlask, Mario Badescu, and the VSCO photo editing style. Romney Jacobs, director of client services at trend forecaster The Doneger Group says, “They’re returning to valuing brands because they appreciate what they stand for, that people recognize them, that they look the same over a certain period of time. The power of brands resonates with consumers because they are forced now to brand themselves” (Wu 1). VSCO girls have been using social media to convey their identities to the public for the majority of their adolescent lives.

2. Sorority Girls

Although there is some overlap between the VSCO girl and the sorority girl groups, sorority girls are more likely to be considered Millennials or “Cuspers”, a term that refers to those who can relate to both Millennials and Generation Z. Sorority Girls paved the way for VSCO girls in many ways. They were early adopters of social media platforms like Instagram, trend-setters of “casual-cool” fashion, and the subject of “basic white girl” memes. Although this group is not exclusive to actual members of Greek life, these girls are likely to be in college and participating in a Greek life or to be recent alumnae of these organizations. This aspect is key as “membership in these organizations can give college students a sense of identity and pride during their college years” according to Ortiz et al. (3). Due to the source of this identity, members of this subgroup are also familiar with branding themselves and their Greek chapters via Instagram posts and recruitment videos. Ortiz et al. states, “A chapter’s social media presence is a way for potential new members to learn about a sorority’s popularity and purpose before even stepping on campus” (3). Girls who are considered part of the sorority girl group are used to the idea of portraying themselves and their personalities to the public through social media and visual aesthetics.

These two groups have a lot in common. Both use social media to present themselves to the outside world and both consume media at high rates. They also have very specific identities that are commonly defined in popular media through jokes, stereotypes, and formal groups. According to Ortiz et al, “the more individuals identify

with being a member of their in-group, the more they may engage with media created and produced for that group as a way of reinforcing their identity” (Ortiz et al 2). Morrison even suggest, “Youth not only consume the media in huge proportions, they *buy a lot*” (14). As trendsetters and tastemakers, the other thing these groups have in common is that they carry a lot of market power.

Consumer Culture

One key observation about these groups as a target audience is that there are concrete physical objects that define them. These things are as much a part of their subgroup as other cultural identifiers. Morrison claims, “All around the world today, especially in western societies, culture is not so much what people belong to, as increasingly something that they consume” (15). Morrison suggests that there is a cultural shift occurring in which people no longer buy certain items to “confirm an already existing social identity,” but “as an activity in which people construct their identities” (6). This is key to understanding the motivations of teenage girls, who are in the process of building their own identities. Morrison asserts, “Consumption represents one of the most visual aspects of youth identity” (13). It makes sense, then, that teen girls, who are using social media as a means of broadcasting their brand to the world, would rely so heavily on consumer culture. Morrison also claims, “Reflexive modernization, in which consumer culture is a major part, refers to the increasing aestheticization and visualization of our culture and how it in turn affects our own interpretation of ourselves” (7). Consumers are using the products they buy as a way to create and broadcast their identities.

Consumer culture creates a way for teen girls to signal they are part of a group, but it also gives them a way to convey their personality. Morrison says, “Teenage girls have always been concerned with fitting in with their peers, while at the same time maintaining their individuality” (3). The struggle is to find a way to stand out without appearing too different from others. They must find a way to convey their own personality to others in a way that is still acceptable to their peers. Morrison suggests consumerism is a “process through which young people attempt to fit in their peer groups, but also to maintain individuality, buying some goods in order to stick out” (11-12).

D. The Fight for Attention

With communication becoming easier and faster, platforms, like Instagram and Tik Tok that focus primarily on photo and video content have become more and more popular. Virtanen quotes Krista Neher saying there is an “increasing preference for images and visual content online, since our brains can consume, process, and understand more information faster through images than through text” (471). Although images can stand out in an overload of text when images are the main focus of the platform, there is still the issue of finding a way to stand out to consumers. Kusumasondjaja says, “As more than 95 million photos are shared on Instagram daily, users are bombarded with visual information, and consequently they tend to view material selectively making Instagram a battlefield for consumer attention” (1). With such an overload of media, consumers tend to focus on image related media that they can move through more quickly. This creates “an impersonal world of people living fast paced lives in close

proximity to one another, consuming, at astounding levels, both objects and media, solidifying their grip on the visual, as a way of understanding experiences” (Morrison, 7). This affects the way consumers view the world and function in it differently.

The overwhelming amount of media that people choose to consume has created a need for constant stimulation and a shortened attention span. Singer says, “Gen Z has less concentration than any other generation ahead of them. Brands have about 20 seconds to capture their attention” (1). Because of this, brands must strategize how to catch and keep the attention of consumers. This is where the importance of visual aesthetic comes into play. Sony Kusumasondjaja quotes Gargi Bhaduri saying, “Using effective visual strategy is crucial for brand posts to hold consumers’ attention for long enough to absorb the content before they scroll up or down to see other photos” (1-2). Aesthetics using bright colors and flashy images become useful when competing with every other brand on Instagram for the attention of consumers. Kusumasondjaja also asserts, “When a visual image has a more complex, colorful and asymmetric order, it is categorized as expressive visual aesthetics. The impact of expressively aesthetic imagery is stronger than classic aesthetic imagery when consumers are motivated by hedonic situation” (4). This creates a tendency for consumers to gravitate towards posts and products that are attention grabbing.

Brands are not the only ones who need to stand out in order to be noticed on Instagram. Consumers are also looking for ways to increase engagement and stand out through their personal social media profiles. One study shows, “Loss of attention is often accompanied by a threat to one’s social self-esteem. To this extent, the effect of jealousy

on the desire for attention-grabbing products might reflect a more general motivation to increase one's status in the eyes of others" (Huang et al, 173). Seeing other peers getting attention on social media or in real life might influence the decision for consumers to compete by showcasing flashy product themselves. Huang et al. say, "Feelings of jealousy can increase consumers' evaluations of attention-grabbing products" (173). The general shift towards these products means things will have to get increasingly brighter, crazier, and more novel in order to keep insuring they grab attention. Singer says, "the subculture of Gen Z consumers... is shaping the future of fashion and retail" (4). These consumers will continue to develop trends that serve their social-media oriented goals.

E. Conclusion

Fraze's target market is representative of these general themes of teenage girl consumers. When surveyed, a majority of younger participants (18-21) said they were most likely to look at Instagram or Tik Tok first when bored. Younger participants also valued standing out, both on social media and in real life, more than older participants (23+). 51% of all participants believe that things you buy definitely help identify/express your personality. Participants within Fraze's target market used words like fun, colorful, bright, and trendy when asked how they would describe their brand/aesthetic in a few words. 58% of these participants said they have definitely or probably bought something primarily because it contributed to their brand/aesthetic. This shows that we can make assumptions about our customers based on research done about this target market.

There is an increasing demand for products that are able to hold the attention of teenagers and younger adults in this target market, especially those who are active on

visual social media platforms. These people are looking for products that will help them stand out as an individual while identifying them as part of socially acceptable group. The question remains, “How do the participants negotiate a distinct self, worth of acknowledgment, using mass produced consumption goods?” (Morrison, 2). This is a problem that Frazee is able to solve by providing a trendy accessory that can be showcased on social media and customized to convey one’s personality or in-group.

Frazee is also a bright and colorful brand that is easily curated on an Instagram page. Virtanen says, “Some products and services are simply better communicated through social media” (469). Marketing Frazee through Instagram is the perfect way to access its target market and add value to the product. Although as the internet continues to expand and change, Frazee will have to focus on the motivations and trends of its audience to stay relevant and valuable to the audience.

PART II: EXECUTIVE SUMMARY

A. Introduction

The company unofficially began in September 2017, when the two co-founders designed and created their first pair of sunglasses. They began making and selling them for their friends as a hobby. Interest quickly grew and Lindy and Liz, LLC dba Fraise was founded in February 2018 by Elizabeth Lanford and Lindy Goodson, two undergraduate students at the University of Mississippi.

B. Company Description

Fraise sells custom, beaded sunglasses made with sturdy translucent frames and mirrored lenses. The sunglasses are decorated with plastic pony beads and alphabet letter beads in addition to stars, rhinestones, or other themed bling. Customers can customize the colors, sayings, and bling featured on their sunglasses. Fraise shades can be ordered individually or in bulk orders ranging from fifteen pairs to hundreds.



Figure 1- Fraise Logo

Although a majority of its sales take place online, they have also been available seasonally in Oxford, Mississippi boutiques such as Katherine Beck and Oxford Floral.

Fraise has grown a powerful online and social media presence. Both of its co-founders are Integrated Marketing Communications students at the University of Mississippi and have decided to create a brand that would resonate with their fellow students and girls their age. Though the years, Fraise has gained

traction in university communities throughout the country and become popular among high-schoolers, college students, and adults.

Fraze aims to provide a reason to celebrate every occasion, whether that's a football game, birthday, group trip, or just everyday life. Fraze's target audience is college-aged women, occasionally expanding to high-schoolers and post-graduate young adults. Fraze's main sales channel is direct orders through their website. However, Fraze also uses wholesale as a way to spread its name and build its brand image.

C. The Problem

With the growth of social media and its use by young people, there is a need for products that will help them create new and exciting content. People want to use social media to express themselves and their interests, such as their football teams, sororities, or personalities. They also use social media as a way to draw attention to themselves and interact with friends and followers. They need a product that will draw attention in a photo or video but is unique enough to pique the interests of their followers.

Additionally, the sorority apparel market has grown stagnant. Many of the same products that were trendy or new in 2012 are still the norm being sold by boutiques and vendors. This may not seem like a long time, but young women are opinion leaders in fashion. Our world is moving faster and trends develop and go out of style quickly. Young women are looking for ways to represent their sororities in a way that is fashion forward and trendy.

Novelty sunglasses and accessories are currently a trend in pop culture, but they tend to fall on either end of the price spectrum. There are extravagant pairs of sunglasses

by brands like Dolce and Gabbana and Gucci that cost buyers thousands of dollars. On the other hand, there are dollar store sunglasses in the shape of beer mugs or flamingos, which can be perceived as tacky or overdone. Neither of these options are customizable, and the buyer is always at risk of someone having the same pair of sunglasses as them. This range of problems can be solved by the availability of Frazee sunglasses.

D. Industry Analysis

In 2020 brands are relying more and more on Instagram exposure and making sure their products pop in the sea of content that is available every day. There has been significant growth of brands, mostly marketed through Instagram, that offer little practical use but intrigue people due their unique and eye-catching style. Rachel Burke, @imakestagram on Instagram, makes handmade items like tinsel jackets, bedazzled purses, and other accessories that have been purchased by celebrities, used in art installations, and featured in collaborations with Disney and My Little Pony. A company out of Austin, TX called Packed Party sells tumblers, bags, hairbrushes, and keychains featuring glitter, tinsel, and bright colors. They offer everyday objects that have been upgraded to be more fun and unique alternatives. Although these are technically different items than what Frazee offers, the idea is generally the same. There is novelty value to these products. They offer the customer a break from what is considered normal. These objects are more fun and more likely to bring joy to the user and get attention from others. Porter's Five Forces Model can be used to analyze the industry further.

Threat of New Entrants

The threat of new entrants to this industry is medium to high. It does not take much capital to start as the cost of goods sold is so low. Additionally, the product is not protected by patent so it is completely legal to copy any designs. New entrants would have to work to build rapport with this target market but this would be possible especially if they are an already established brand. However, the specific design and style of our glasses has pretty much been cemented. It may be difficult for new entrants to mimic the exact product when sourcing products. Also, the name Frazee has become linked to the style of shades offered by the company. Therefore, it may be difficult for new entrants to overcome the stigma of being a knockoff or unoriginal.

Bargaining Power of Suppliers

The bargaining power of suppliers in this industry is low. Almost all of the products we purchase from supplier are plastic which is readily available from most factories in China. Our specific styles of glasses may be a little more scarce but could be easily substituted if necessary. All of these products that we get from China are also available in the United States although at higher prices which could affect our business in cases of global crisis.

Bargaining Power of Buyers

The bargaining power of buyers is high because they do have the ability to make these glasses themselves if they choose to buy the supplies separately. However, Frazee provides an artistic and creative element that is valued by buyers. Additionally, when ordering glasses in bulk buyers are less likely to make the glasses themselves and become

more dependent on Frazee to provide products. As there are currently few other businesses that offer these exact products, brand loyalty is high and customers have few other options to consider.

Threat of Substitute Products

The threat of substitute products is medium. The main function of Frazee shades is as a fun, thoughtful, or matching accessory. This function could also be filled by matching t-shirts, mass produced sunglasses, or other cheap merchandise with logos slapped on them. These products have been used for years and can be seen as tacky and trite. Frazee shades are custom designs and a trendy alternative to those products. As previously mentioned, homemade versions of these glasses could also be a potential substitute but the artistic and creative value differentiates Frazee shades from these as well as reducing the work and effort buyers would have to provide.

Rivalry Against Existing Competitors

This industry is currently not very competitive as there are no other businesses selling our exact product. There are companies that offer similar products, ones that are blinged out versions of every-day items like hairbrushes, bags, and keychains. However, these companies are not direct competition. There are also businesses that provide bulk custom products to sororities but these businesses tend to focus on t-shirts, fans, and banners. Frazee can use these potential rivals as complements to share customer base, marketing techniques, and trend insights. Direct competitors will be discussed further in section F (The Competition).

E. Target Market

The target market for Fraise is college women and sorority girls. More broadly, Fraise targets girls who are active on social media, following trends, and are opinion leaders for their communities. Fraise also target groups of people such as sororities, sports teams, and wedding parties.

Appendix A is a survey of 244 participants who fall inside the target market of Fraise. These participants are a majority white, college-educated girls with an average age of 21. Their opinions on social media and consumption habits were collected in order to give some insight into the motivations of the typical Fraise buyer. A majority of those surveyed said Instagram was the first social media platform they look at when bored. These results also suggest that Tik Tok has an increasing presence among younger participants (ages 18-22). Another trend worth noticing is that younger participants ranked standing out, both on social media and in real life, as more important than older participants (23+). 51% of all participants said they definitely believe that things you buy help identify/express your personality. 58% of those surveyed said they have definitely or probably bought something primarily because it contributed to their brand/aesthetic. When asked how they would describe their brand/aesthetic in a few words, participants responded with words like fun, colorful, bright, and trendy. This can be seen in the word graph included in Q 14 in Appendix A.

This research shows that the typical customer of Fraise is someone who is looking to stand out from the crowd and portray themselves to others in a certain way. They are concerned with their self-image and want to buy items that will help them curate it.

Younger consumers are more likely to use platforms like Instagram and Tik Tok as a tool to curate their self-image as well as a way to consume media and keep up with trends.

These customers are attracted to Frazee as a way to contribute to a fun and bright aesthetic and stand out from the crowd on social media platforms as well as in real life.

A profile of one Frazee repeat customer is that of Campbell Owens. Campbell is 17 years old and a senior member of her high school's cheer team. Campbell has over three thousand followers on Instagram and regularly posts photos of her outfits, friends, and life events. Campbell was elected to her school's homecoming court two years in a row and both times organized a bulk order for the entire court to wear in their homecoming parade. It is very likely that Campbell will go to a university next year and become a member of a sorority there.

Frazee would be positioned among other brands that offer trendy sorority apparel such as Ali and Ariel, Lose Ya Cool, and South By Sea. These brands were all started by sorority girls and offer something different than the usual sorority designs that have been offered for years. They also offer a strong social media presence and high interactivity with their customers. They are lifestyle brands that give their customers the opportunity to get creative and put their own twist on the traditional.

F. The Competition

One of the main sources of competition in the novelty sunglasses market is high end, designer sunglasses. These glasses are high quality and well-made, but are typically out of the price range of Frazee's target market. Novelty sunglasses by Dolce and Gabbana range from hundreds to thousands of dollars. Additionally, these sunglasses are not as fun

and playful or customizable. Recently, Nordstrom came out with a line of beaded sunglasses that are very similar to Frazee called “Rad+Refined.” These glasses are priced at fifty-five dollars and are available on the Nordstrom website. Only one pair of their sunglasses has any reviews, one of which reads:

“The glasses were very cute on , had a strong chemical smell the whole time after taking them out of the package. One of the clouds fell off before I got to wear them a full day. I wanted to keep them an maybe glue the clouds back on, but for the price they should have held up better....To bad I wanted to the LOVE them.”

Another market segment Frazee has to compete against is dollar store novelty sunglasses. These are the same genre as New Year’s Eve sunglasses and come in the shapes of flamingos, beer mugs, palm trees, or pretty much any object you want. These glasses are very cheap and fine for party props but come across as tacky and trite.

The highest threat form of competition comes from people who would rather DIY a pair of beaded sunglasses for personal use instead of buying them. It is feasible for people to buy their own supplies and make a pair on their own. There are many examples of this on the internet. This is a threat, especially for consumers who are not yet aware of Frazee. However, to buy all of the supplies needed to create a pair of sunglasses would cost about the same as a pair from Frazee. Also, Frazee consistently delivers on design quality and labor. For bulk orders especially, it is worth the cost to have Frazee make them instead of DIYing hundreds of pairs of glasses.

G. Solution

Fraze shades allow the buyer to express themselves and their style in a way that is trendy and attention-grabbing. Fraze shades photograph well and are the perfect prop for an Instagram photo. A Fraze customer can follow a few different paths to find the perfect pair of glasses for their occasion.

Fraze offers a line of pre-designed shades as suggestions for customers who may not want to go through the work and effort of designing their own pair. This is also perfect for customers who want to know exactly what their glasses will look like before purchasing them. These include our holiday designs, licensed sorority designs, and some other generally applicable designs. This allows customers to feel like they get a choice while also limiting their options enough for them to make a decision.

For the more creative customer, we have customization options. This allows the customer to choose their frame and lens color, the saying featured on their glasses, and the colors of pony beads or any other bling. Customers are encouraged to look through



Figure 1- Fraze Sorority Sunglasses

our Instagram page or the gallery on our website to look for inspiration for their glasses. Customers typically do not know exactly what their glasses will look like until they receive them. This makes the process of designing and purchasing a pair of glasses more like an experience. It allows the customer to experience the excitement of designing their own shades without them having to put in the labor or buy the materials.

Customers can also order shades in bulk, which means they want more than fifteen pairs of the same design. This is perfect for sororities, bridal parties, or girls' trip groups. To place a bulk order, the customer just submits an interest form online with the quantity, desired design, and contact information. Frazee then sends back a price estimate and photo proof of the what the design would look like. The customer can then place the order or request changes to the design . This gives the customer control over their order and a sure way to be in contact about any changes or problems with their order.

H. Business Model

The Business Model for Frazee is detailed in Appendix B, a Lean Canvas that explains revenue streams, cost structure, key metrics, and other features of Frazee's business model. Frazee's main sales channel will be through its online store in order to maximize profit. Frazee will occasionally utilize wholesale opportunities to grow the brand and create extra revenue. As the manufacturing process is solidified, Frazee can use wholesale opportunities to sell its pre-designed shades in larger quantities. The main costs are costs of goods sold which include the price of the sunglasses, beads, and labor. Custom designed shades require more labor and therefore cost more than pre-designed shades. Customer acquisition comes through social media, word of mouth, bulk orders and branding of products. The one-year value of a customer is approximately two pairs of shades. The most valuable customer is one who is brand loyal and will promote Frazee to a larger group or initiate a bulk order for a group they are involved in. These customers will help create brand recognition as well as increase sales. Frazee has an unfair advantage

by being the first to market for this product as well as having inside access to Greek and collegiate communities.

I. Go To Market Plan

Fraze shades are an easily marketable product which has contributed greatly to the success of the business thus far. They are photogenic and the target audience for Fraze is highly active on social media. The main ways Fraze will be marketed are through social media, Google SEO, and direct customer interaction like pop-up shops. With these strategies, Fraze will be able to reach its target market and increase brand awareness.

Social media is one of the most cost-effective ways to market Fraze. Fraze customers are typically active on social media and have a large organic following. Fraze customers also typically buy sunglasses to wear to events they would normally take and post pictures of anyway. More often than not, Fraze customers are posting pictures of themselves in their shades to gain social media clout. Due to influencer culture, many social media users are used to tagging the brands they wear in their Instagram photos and Fraze is no exception. This is great because it allows the followers of Fraze customers to find brand of the sunglasses in case they want to order them as well. This brings Fraze more followers and also provides content to be posted on the Fraze Instagram without having to spend time and energy creating it.

Another way Fraze can more successfully reach new customers is to utilize Google Search Engine Optimization. With images of Fraze being so plentiful on the internet, it is likely that people will come across the product without being able to find the source. Typically, the first thing someone will do is Google keywords about the

product in order to find it. It is important that Frazee comes up as one of the first search results when people go to look for things like “beaded sunglasses” or “sorority shades.” We have successfully optimized for Google searches and have received over 6,000 impressions and nearly 500 clicks in 2020. We will continue to work to optimize for search engines as well as use websites like Pinterest to draw website traffic. Luckily, this is also a cost-effective method which will also give insights to how customers are interacting with the website and what channels they are using to reach the website.

Frazee will build brand loyalty by interacting with customers directly. This will give customers more of a feel for the personality of the brand. This can happen through hosting events like pop-up shops or participating as a vendor at market events. This will give opportunities for customers to interact with real people, see the product in person, and get more information about the company. This will expose the brand to new people and allows for access to a narrower target market. For example, Frazee can more directly target sorority girls by hosting pop-ups at sorority houses or target older women to buy gifts by participating in Mistletoe Market in the winter.

These strategies, in addition to more traditional forms of paid advertising, will create a diverse mix of ways to reach new and current customers. It will give customers a way to interact with the brand both digitally and personally, depending on their preference. It will also allow the marketing budget to vary according to season since there are ways to market the brand that are paid as well as ways to produce earned media.

J. Operations

1. Stage of Development

As of right now, Frazee is being run by Elizabeth Lanford and Lindy Goodson. They are entirely responsible for the operations of the company as well as the design of the sunglasses, sourcing of materials, and shipment of finished products. The current production method is to attach plastic pony beads to already-manufactured sunglasses using hot glue adhesive. Beads are placed according to the design requested by the customer which may be a suggested design or a custom design. However, as business continues to grow, Frazee has been looking to outsource the manufacturing of certain styles of the completed product to Yiwu Cheng Ying Trading Co., Ltd. in Zhejiang, China. With the outsourced production of the most popular designs, there will be more time and resources available to keep up with custom orders. This would also allow for greater numbers of bulk orders during peak seasons such as during the summer and during wedding season.

2. Production Process

Custom orders for Frazee shades are received through the website www.frazeshades.com which is operated using Wix. Wix collects customer contact and financial information. This leaves manufacturing of the product, fulfillment of orders, marketing, and customer service as part of day to day operations. Sunglasses are currently sourced from Linhai Guangdu Optical Co., Ltd. A majority of rhinestones and decorations are sourced from Yiwu Xulin Jewelry Co., Ltd. Plastic pony beads are sourced from BeadTin, LLC. Glasses are currently customized by hand which can create

a production bottleneck during times of high demand. We are working with Yiwu Cheng Ying Trading Co., Ltd. to have glasses produced in bulk to help solve this problem. The current cost of a pre-manufactured design is \$6.10. The current cost, using contribution margin method, of a custom made design is \$6.30 including labor estimated at \$15 per hour.

K. The Team

Fraze was created by Lindy Goodson and Elizabeth Lanford. Goodson and Lanford are both students at the University of Mississippi. Fraze began during their sophomore year and is now in its third year of operations. Lanford and Goodson met through their sorority, Phi Mu, and created their first prototype for their Bid Day celebration in 2017. Some of their first customers were their sorority sisters. Both Lanford and Goodson are majoring in Integrated Marketing Communications and will graduate from the University of Mississippi in May of 2020. They have competed in several business plan competitions through the Center for Innovation and Entrepreneurship on campus. Through this they have received advising from Owens Alexander, Cobie Watkins, Marie Cope, and Tong Meng on issues ranging from legal formation to best practices for international manufacturing.

L. Social Responsibility

Part of the original idea for Fraze started as a fundraiser for RebelTHON, an organization on the University of Mississippi campus that raises money for Children's of Mississippi, a Children's Miracle Network Hospital. Until official formation of Lindy and Liz, LLC all proceeds from glasses sales went to RebelTHON. Additionally, each

consecutive year Frazee has made a donation of several hundred dollar to RebelTHON. Frazee also donates products to Dance Marathon programs across the country to use as raffles or prizes for fundraisers for Children’s Miracle Network Hospitals. Children’s Miracle Network Hospitals is also the designated philanthropy for Phi Mu, the sorority that both founders are members of. Because of all of this, Children’s Miracle Network Hospitals will remain a focus for the future of social responsibility of Frazee.

M. Financial Plan

Appendix C includes graphs and tables of Frazee’s financial model based off of the past two years of sales. Appendix B includes information about revenue, costs, expenses, profit and loss, balance sheets, and cash flow. The years 2018 and 2019 include actual numbers from Frazee’s revenue and expenses. Thus far Frazee has grossed an average of \$27,919 annually. The years 2020-2022 are projections based on the growth expected for Frazee in coming years with revenue reaching \$73,800 in 2022. With developments in outsourced production of bulk orders and an intensified focus on wholesale orders, it is expected that a greater demand can be met and sales will increase significantly resulting a year on year growth rate in sales of about 40%. These projections also take into account that both founders are currently full-time students and will be able to focus more of their time and energy on business development after graduation in May of 2020.

N. Milestones

Frazee competed in the Gillespie Business Plan Competition at the University of Mississippi in the Spring of 2018 and placed 3rd, winning \$5,000 and a year’s worth of

free office space at Insight Park. This was the first time a complete business plan with financial projections was created for Fraise.

In the Spring of 2020, co-founder Elizabeth Lanford will present the second complete business plan with financial projections as part of her senior thesis for the Sally McDonnell Barksdale Honors College.

Due to COVID-19, many of the plans we had to attend markets and shows will no longer be happening. One of those plans was to work with Oxford Floral, a boutique off of the Oxford Square to show and sell glasses during Double Decker Festival. It has been announced that Double Decker Festival will be rescheduled so as of now we are planning to participate in that when it happens. We hope to sell \$3000 worth of sunglasses as well as increase awareness about the brand.

Elizabeth Lanford will also take part in the Women's Business Enterprise National Council Student Entrepreneur Program. The program offers training and opportunities to learn from members of the Women's Business Enterprise National Council. Additionally, there will be a pitch competition with the opportunity to win up to \$20,000 or off-site visits to corporate campuses and accelerators.

SUMMARY

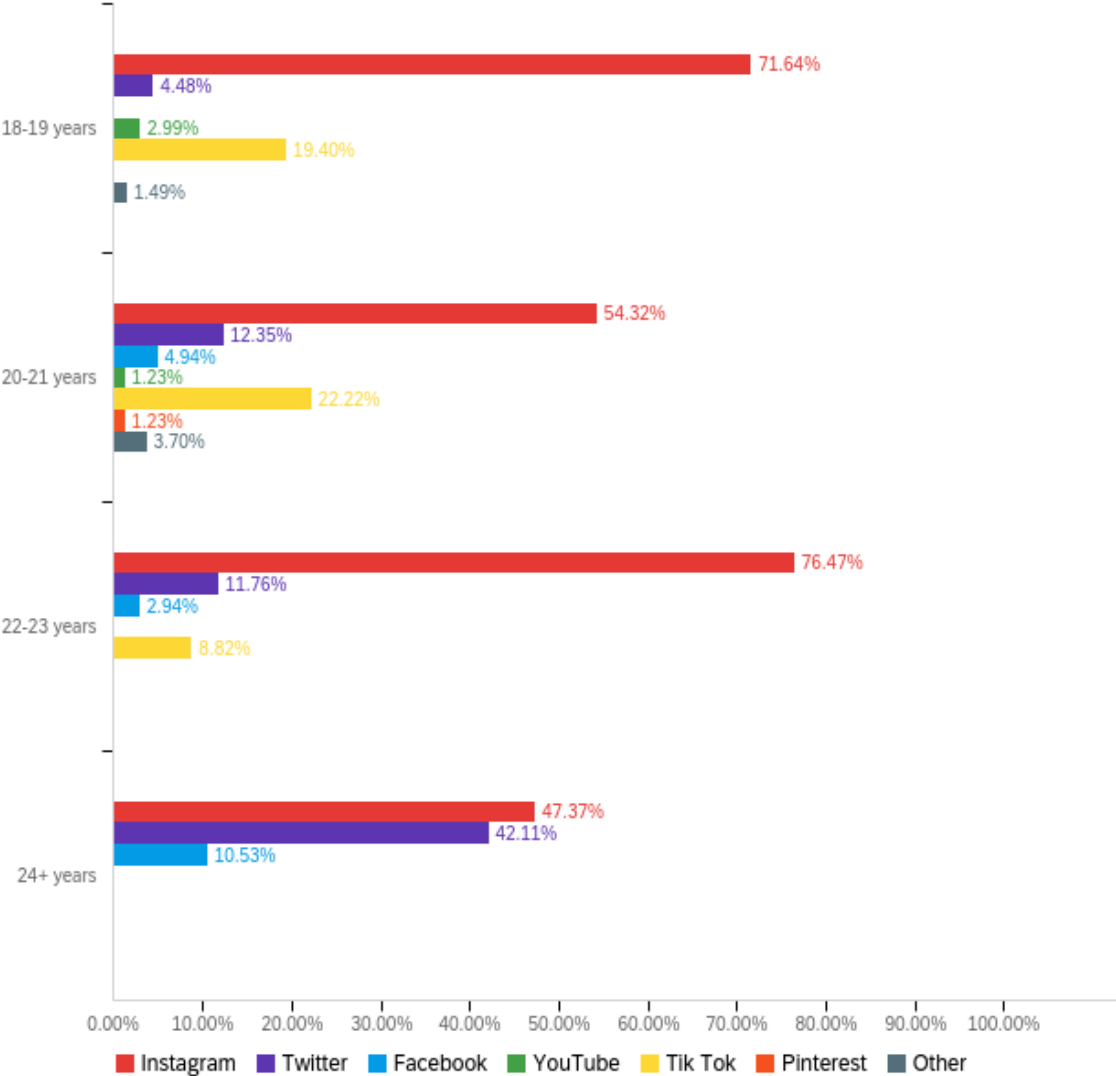
Fraze shades hold a unique value for each customer. Frazé shades can offer aesthetic appeal, allowing customers to portray their identity to the others in a way that will allow them to stand out from the crowd. The bright and colorful nature of Frazé shades can also provide a way to grab attention whether that be on social media or in real life. Additionally, Frazé shades offer a break from the norm. They allow the user to sprinkle hints of sparkle and color into an otherwise normal accessory. Frazé shades can be a memento of good times, group trips, or jokes between friends. The value of Frazé shades is a personal one that can't be explained solely by listing the materials that go into them.

As teen girls continue to set trends and social media continues to grow, the importance of visual aesthetic and will continue to be central to Frazé. As social media timelines are flooded with more and more content fighting for consumers' attention, products will continue to get brighter and flashier. Frazé will grow with consumers by offering products that bring joy and provide an experience and a creative outlet. Frazé is a brand that is all about celebrating every possible occasion, be that a birthday, bachelorette party, sorority bid day, or everyday life.

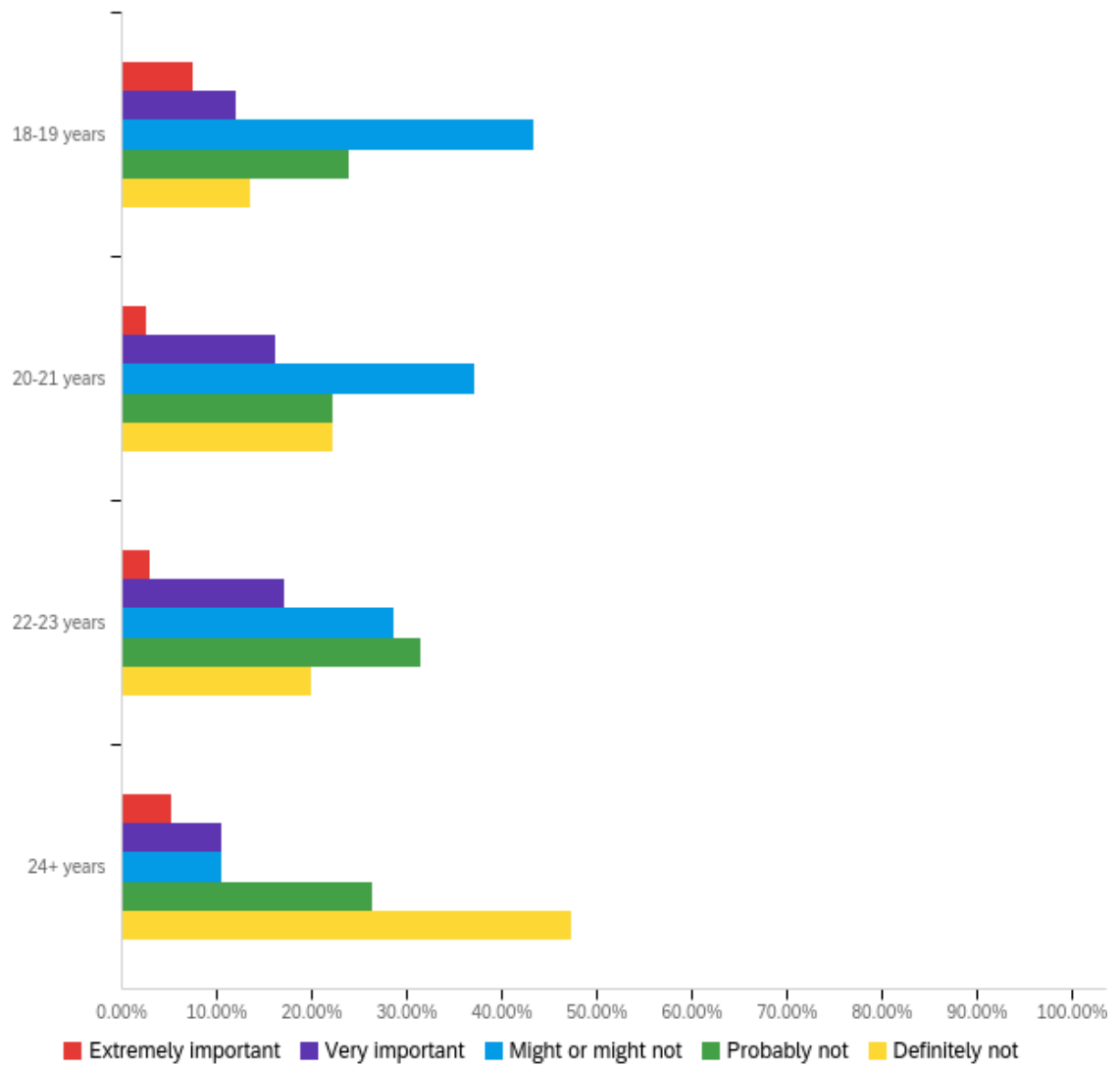
APPENDICES

Appendix A - Survey

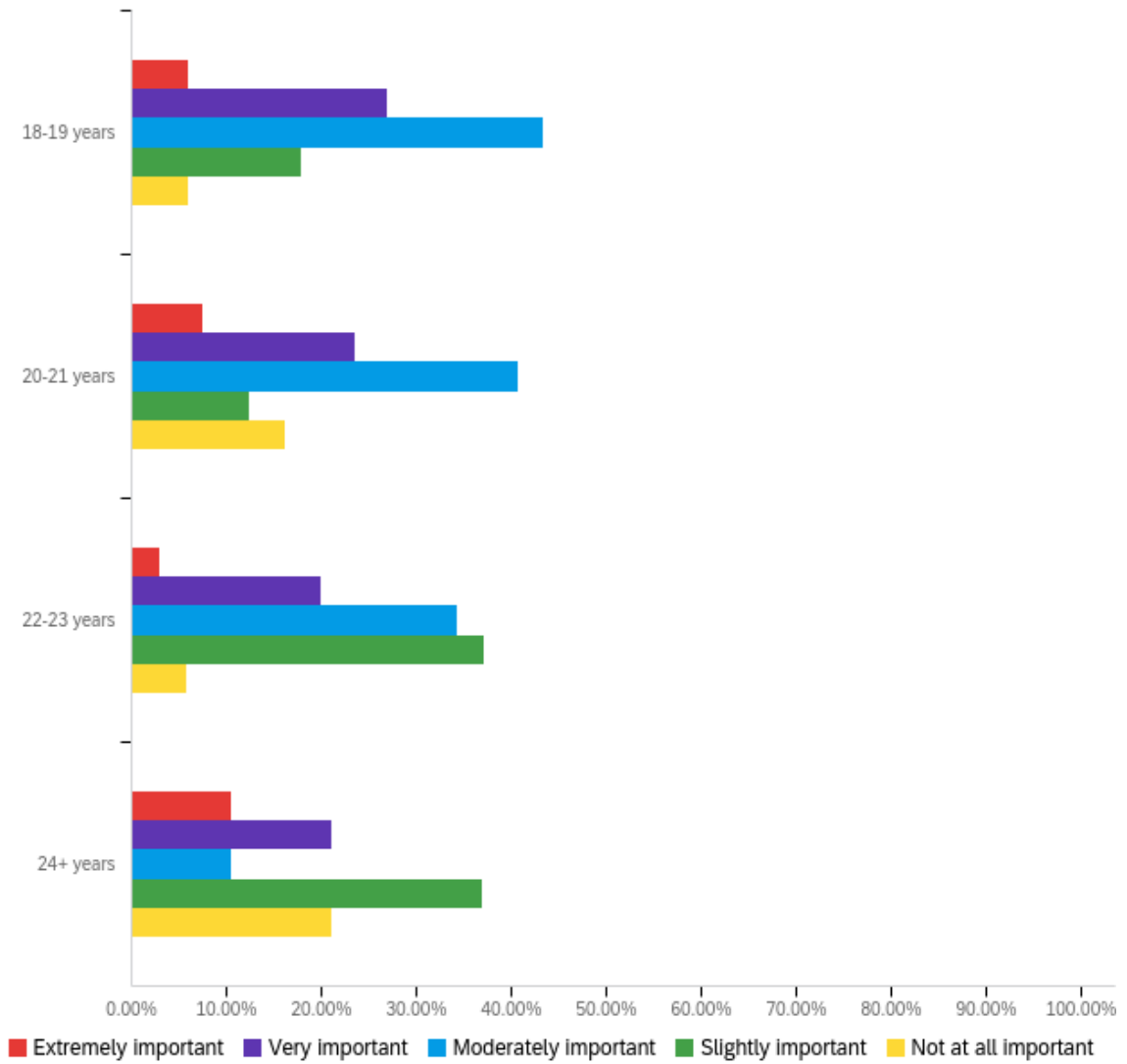
Q4 - When you're bored, what is the first social media platform you look at?



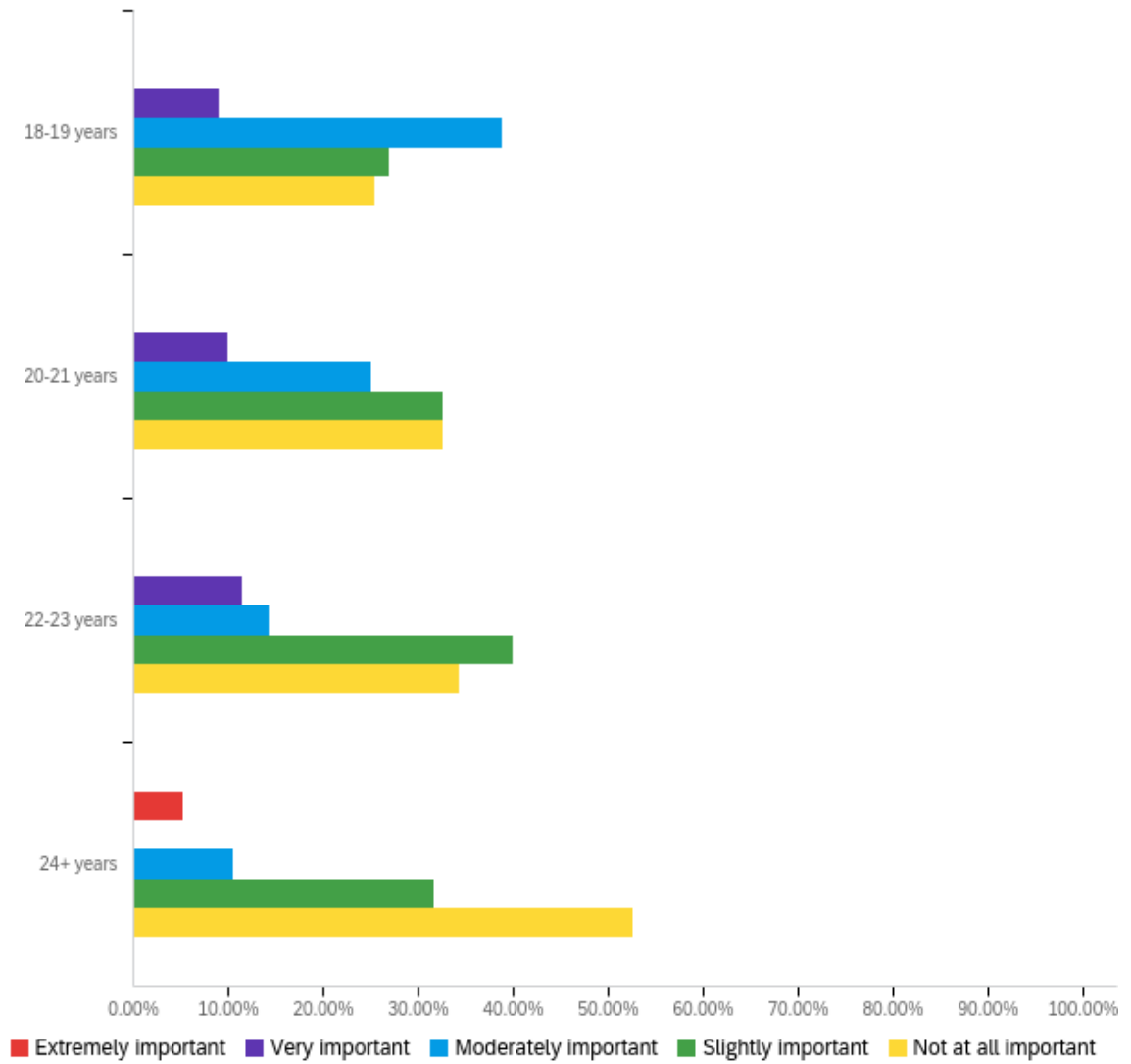
Q6 - How important is it to you that the items you buy help you stand out on social media?



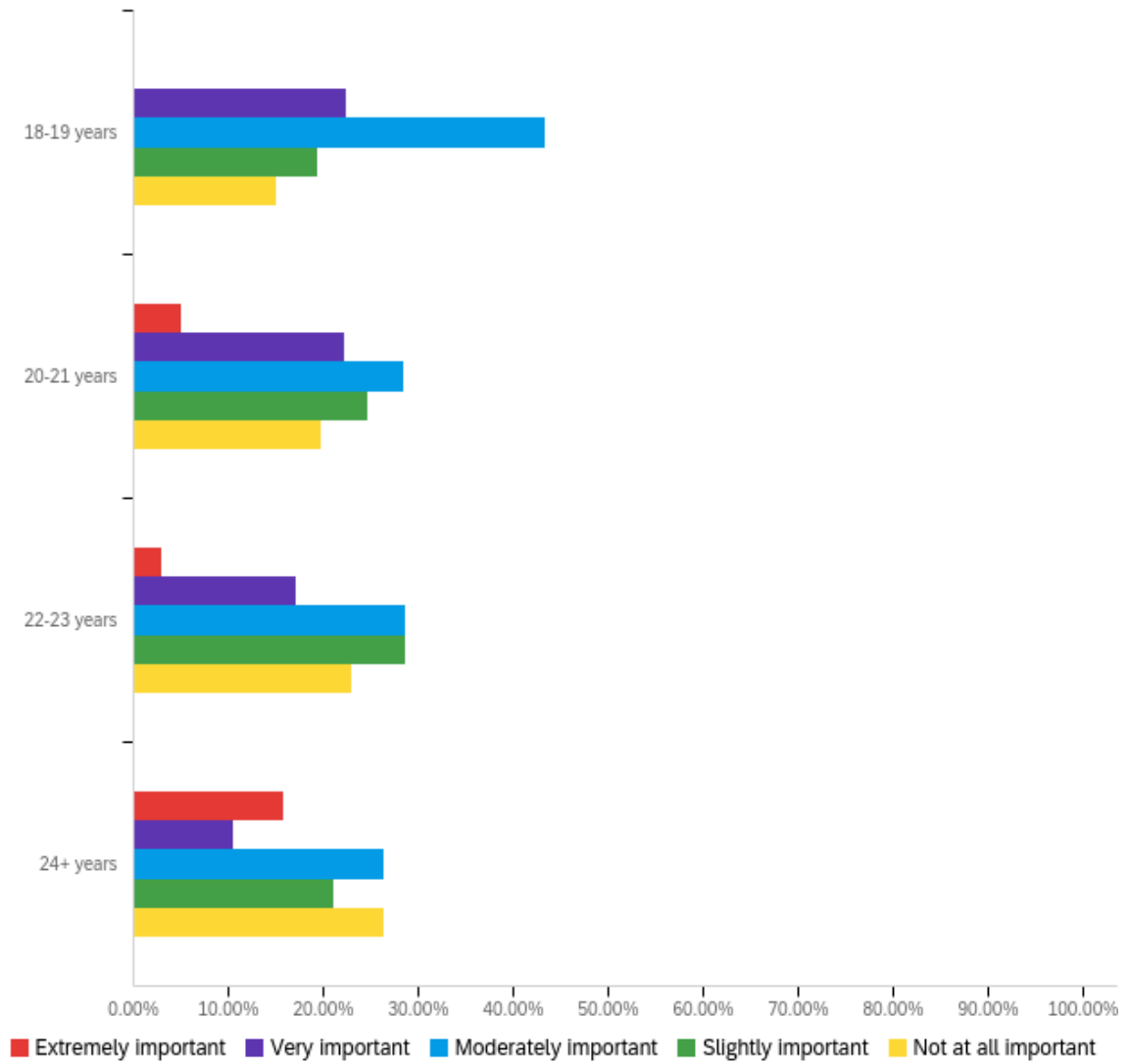
Q7 - How important is it to you that the items you buy help you stand out in real life?



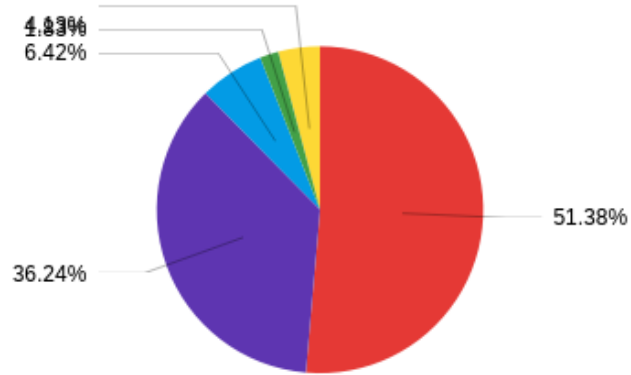
Q8 - How important is it to you that the items you buy help you fit in on social media?



Q9 - How important is it to you that the items you buy help you fit in in real life?

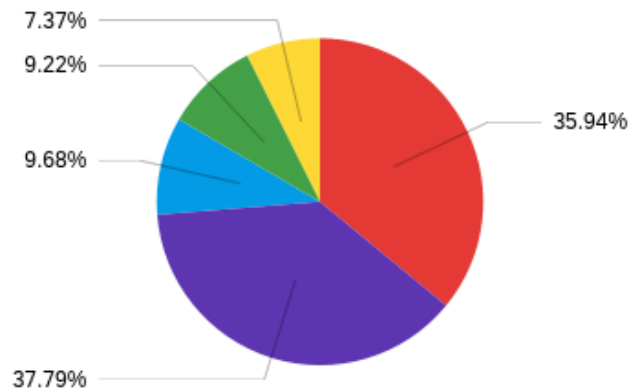


Q10 - Do you believe that things you buy help identify/express your personality?



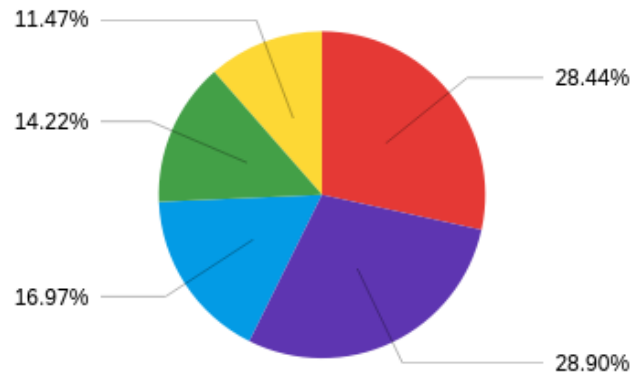
■ Definitely yes
 ■ Probably yes
 ■ Might or might not
 ■ Probably not
 ■ Definitely not

Q11 - Have you ever bought something primarily because it would look good on you in a picture?



■ Definitely yes
 ■ Probably yes
 ■ Might or might not
 ■ Probably not
 ■ Definitely not

Q12 - Have you ever bought something primarily because it would contribute to your brand/aesthetic?



Definitely yes Probably yes Might or might not Probably not Definitely not

Appendix B – Lean Canvas

LEAN CANVAS

Name: Elizabeth Lanford Rev#

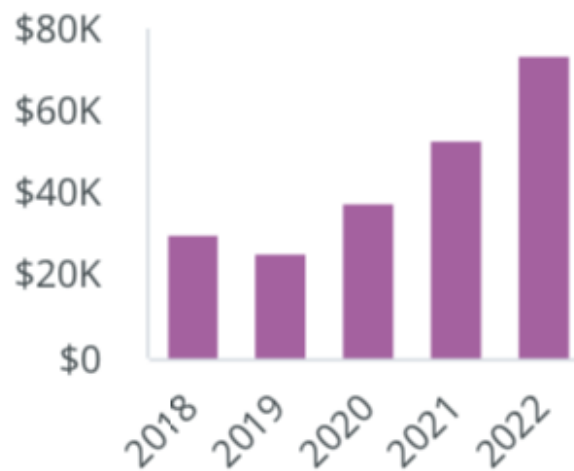
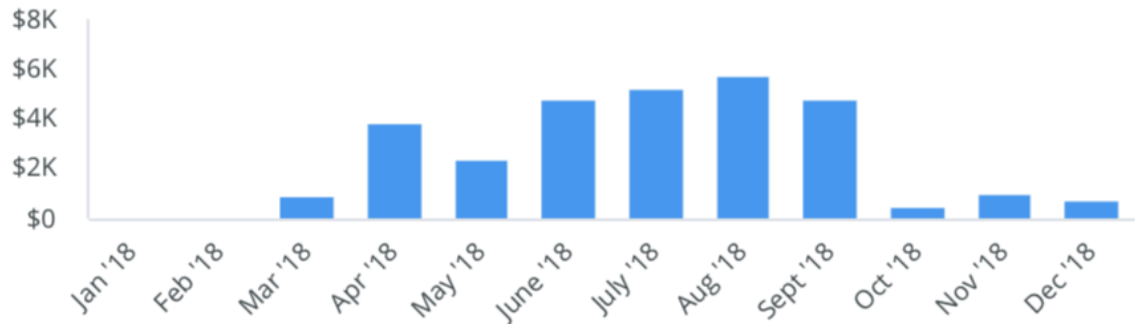
PROBLEM There is not festive, customizable eyewear on the market. People are looking for ways to draw attention to their social media. People want to show in pictures and real life that they are part of a group. EXISTING ALTERNATIVES Do it yourself, which requires time, money, and creative effort	SOLUTION We make custom sunglasses. They can have words or charms that represent a group or personality. They are festive and photograph well.	UNIQUE VALUE PROPOSITION These glasses will get you attention from your friends in real life and on social media. They bring a fun atmosphere to any event. They have the power unite a group of people. HIGH-LEVEL CONCEPT The rainbow food trend of sunglasses.	UNFAIR ADVANTAGE We have inside access to the Greek Community, we are the first to market such a product, it's cheaper for us to make the glasses vs making them yourself, and we handle the artistic element.	CUSTOMER SEGMENTS People or groups going to events such as: Sports fans Bridal parties Senior trips Family vacations Spring Break Music festivals and other events! EARLY ADOPTERS College-aged women in Greek life
	KEY METRICS Key action: buy glasses, wear them to an event, post them on Instagram.		CHANNELS Customer are reached mainly through @frazeshades on Instagram and word of mouth. Sales occur on www.frazeshades.com .	
COST STRUCTURE Handmade glasses: \$5-8 per piece Bulk manufactured glasses: \$4.50-\$6.50 per piece		REVENUE STREAMS Glasses are currently priced at \$20 but discounts are offered for bulk orders of 50+ Shipping is an additional \$3.50.		



Lean Canvas is adapted from the Business Model Canvas and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

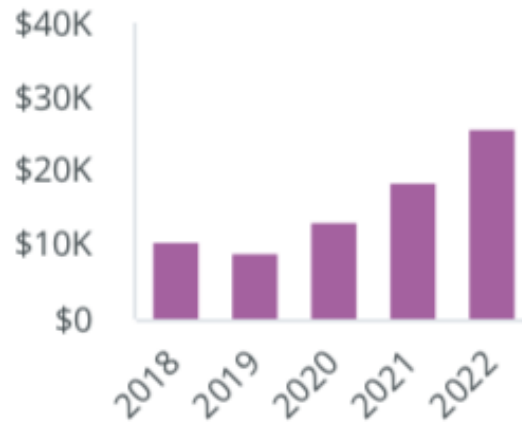
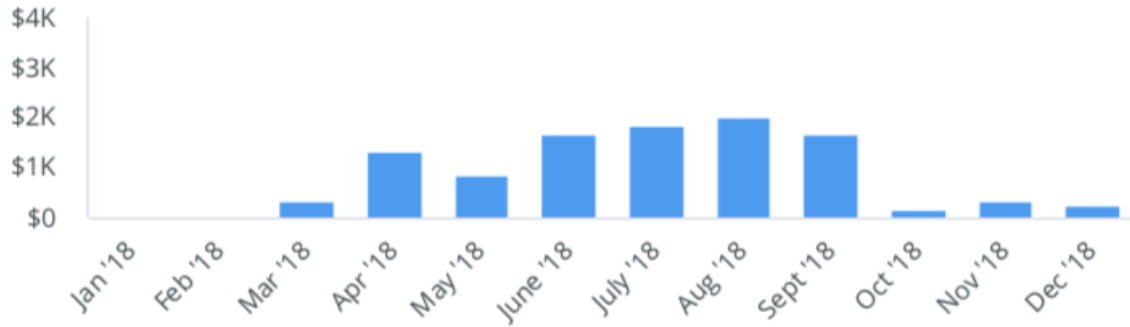
Appendix C – Financial Model

A. Revenue



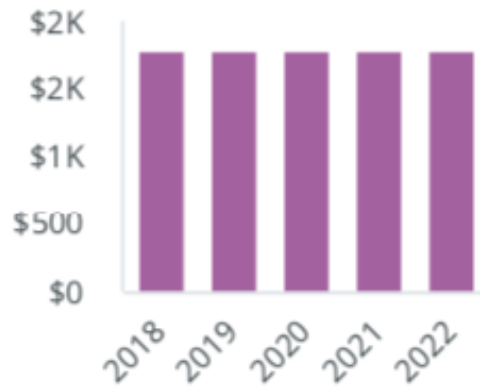
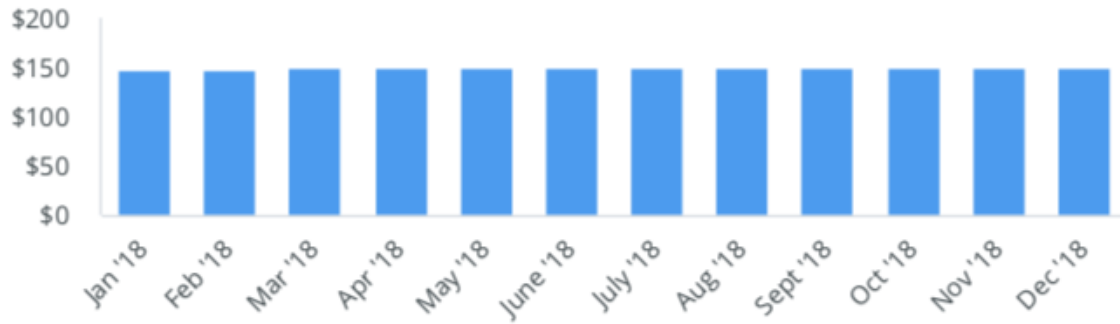
Revenue	2018	2019	2020	2021	2022
Online Orders	\$17,560	\$11,160	\$14,000	\$17,000	\$24,000
Unit Sales	878	558	700	850	1,200
Unit Prices	\$20	\$20	\$20	\$20	\$20
Wholesale Orders	\$2,424	\$408	\$1,800	\$3,000	\$4,800
Unit Sales	202	34	150	250	400
Unit Prices	\$12	\$12	\$12	\$12	\$12
Bulk Orders	\$10,215	\$14,070	\$22,500	\$33,000	\$45,000
Unit Sales	681	938	1,500	2,200	3,000
Unit Prices	\$15	\$15	\$15	\$15	\$15
Totals	\$30,199	\$25,638	\$38,300	\$53,000	\$73,800

B. Direct Costs



Direct Costs	2018	2019	2020	2021	2022
COGS	\$6,946	\$5,897	\$8,809	\$12,190	\$16,974
Direct Labor	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Salaries and Wages	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Labor	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Totals	\$10,570	\$8,973	\$13,405	\$18,550	\$25,830

C. Expenses



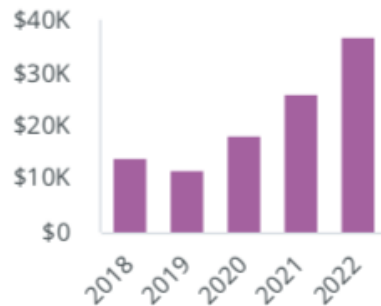
Expenses	2018	2019	2020	2021	2022
Website	\$250	\$250	\$250	\$250	\$250
Insurance	\$350	\$350	\$350	\$350	\$350
Office Rent		\$1,200	\$1,200	\$5,000	\$5,000
Totals	\$600	\$1,800	\$1,800	\$5,600	\$5,600

D. Projected Profit and Loss

Net profit in 2018



Net profit by year



Projected Profit & Loss	2018	2019	2020	2021	2022
Revenue	\$30,199	\$25,638	\$38,300	\$53,000	\$73,800
Online Orders	\$17,560	\$11,160	\$14,000	\$17,000	\$24,000
Unit Sales	878	558	700	850	1,200
Unit Prices	\$20	\$20	\$20	\$20	\$20
Wholesale Orders	\$2,424	\$408	\$1,800	\$3,000	\$4,800
Unit Sales	202	34	150	250	400
Unit Prices	\$12	\$12	\$12	\$12	\$12
Bulk Orders	\$10,215	\$14,070	\$22,500	\$33,000	\$45,000
Unit Sales	681	938	1,500	2,200	3,000
Unit Prices	\$15	\$15	\$15	\$15	\$15
Direct Costs	\$10,570	\$8,973	\$13,405	\$18,550	\$25,830
COGS	\$6,946	\$5,897	\$8,809	\$12,190	\$16,974
Direct Labor	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Salaries & Wages	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Labor	\$3,624	\$3,076	\$4,596	\$6,360	\$8,856
Gross Margin	\$19,629	\$16,665	\$24,895	\$34,450	\$47,970
Gross Margin %	65%	65%	65%	65%	65%
Operating Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Website	\$250	\$250	\$250	\$250	\$250
Insurance	\$350	\$350	\$350	\$350	\$350
Office Rent	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200

Operating Income	\$17,829	\$14,865	\$23,095	\$32,650	\$46,170
Income Taxes	\$3,566	\$2,973	\$4,619	\$6,530	\$9,234
Total Expenses	\$15,936	\$13,746	\$19,824	\$26,880	\$36,864

Net Profit	\$14,263	\$11,892	\$18,476	\$26,120	\$36,936
Net Profit %	47%	46%	48%	49%	50%

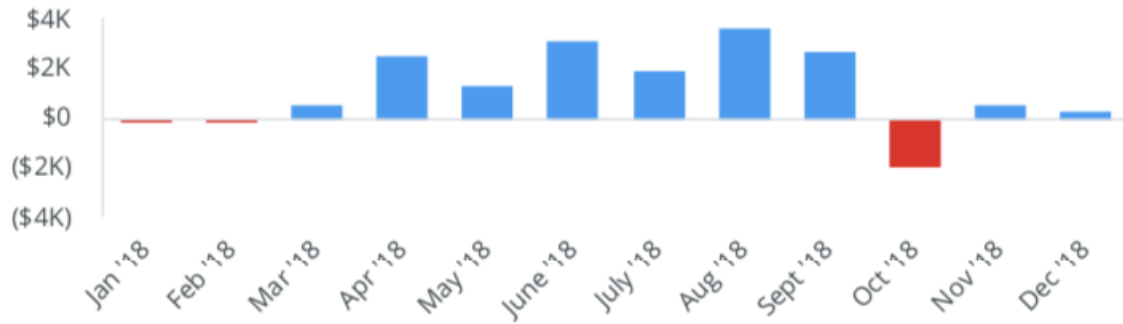
E. Projected Balance Sheet

Projected Balance Sheet	2018	2019	2020	2021	2022
Assets	\$14,525	\$27,043	\$45,997	\$72,677	\$110,398
Current Assets	\$14,525	\$27,043	\$45,997	\$72,677	\$110,398
Cash	\$14,525	\$27,043	\$45,997	\$72,677	\$110,398
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Liabilities & Equity	\$14,525	\$27,043	\$45,997	\$72,677	\$110,398
Liabilities	\$262	\$888	\$1,366	\$1,926	\$2,711
Current Liabilities	\$262	\$888	\$1,366	\$1,926	\$2,711
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$209	\$742	\$1,154	\$1,635	\$2,309
Sales Taxes Payable	\$53	\$146	\$212	\$291	\$402
Equity	\$14,263	\$26,155	\$44,631	\$70,751	\$107,687
Retained Earnings		\$14,263	\$26,155	\$44,631	\$70,751
Earnings	\$14,263	\$11,892	\$18,476	\$26,120	\$36,936

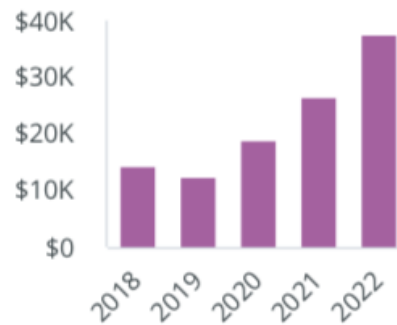
F. Projected Cash Flow

Days Sales Outstanding: 3

Cash flow in 2018



Cash flow by year



Projected Cash Flow	2018	2019	2020	2021	2022
Net Cash from Operations	\$14,525	\$12,518	\$18,954	\$26,680	\$37,721
Net Profit	\$14,263	\$11,892	\$18,476	\$26,120	\$36,936
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$209	\$533	\$412	\$481	\$674
Change in Sales Tax Payable	\$53	\$93	\$66	\$79	\$111
Cash at Beginning of Period	\$0	\$14,525	\$27,043	\$45,997	\$72,677
Net Change in Cash	\$14,525	\$12,518	\$18,954	\$26,680	\$37,721
Cash at End of Period	\$14,525	\$27,043	\$45,997	\$72,677	\$110,398

WORKS CITED

- Huang, Xun, Ping Dong, and Robert S. Wyer. "Competing for Attention: The Effects of Jealousy on Preference for Attention-Grabbing Products." *Journal of Consumer Psychology*, vol. 27, no. 2, 2017, pp. 171-181.
- Kusumasondjaja, Sony. "Exploring the Role of Visual Aesthetics and Presentation Modality in Luxury Fashion Brand Communication on Instagram." *Journal of Fashion Marketing and Management: An International Journal*, vol. ahead-of-print, no. ahead-of-print, 2019.
- Morrison, Rebecca L. *Walking the Tightrope of Cool: Teen Girls Negotiate Identity, Individuality and Belonging through Consumption Goods*, ProQuest Dissertations Publishing, 2003.
- Ortiz, Rebecca R., and Bailey A. Thompson. "Sorority See, Sorority do: How Social Identity and Media Engagement Relate to in-Group Stereotyping and Self-Stereotyping." *Psychology of Popular Media Culture*, 2019.
- Singer, Melissa. "This Week: The Vsco Girls." *Sunday Age*, 2019.
- Virtanen, Henrik, Peter Björk, and Elin Sjöström. "Follow for Follow: Marketing of a Start-Up Company on Instagram." *Journal of Small Business and Enterprise Development*, vol. 24, no. 3, 2017, pp. 468-484.
- Wu, Jasmine. "Teen Culture Shifted to Embrace Brands, and the VSCO Girl Was Born." *CNBC*, CNBC, 12 Sept. 2019, www.cnbc.com/2019/09/09/vsco-girls-and-the-shift-in-teen-culture-to-embrace-brands.html.

