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<u>Extra Credit</u>

1. Summarize and explain Moda Operandi's unique retail business model strategy. How has the business model improved sales, contributed to customer loyalty and surpassed competition? Provide your response in AT LEAST 5-8 sentences with examples from video.

    Moda Operandi combines fashion and technology. They did six months of intense research figuring out how to grow the company and amplify their business models. They wanted to connect designers and consumers directly. To do this they allowed consumers to place orders before actually buying their merchandise which helped them to save money and not spend it on products that will not sell. They figured out a major issue was inventory so they allowed 75% of their merchandise to be ready to wear. They collect data from their audience in order to predict what will sell months later. From this the designers choose what exactly they should make to be sustainable and effective in the market.

2. Fashion retailers compete in three ways: price, quality, and/or innovation. Which competition strategy does Moda Operandi utilize and how?

    Moda Operandi utilizes the innovation competition strategy. There are not many alternative companies that can provide the information that Moda Operandi can, actually I am sure when they first started there were no other competitors out there that used that strategy. It is mentioned in the interview that cost is not really their biggest concern, their priority is guaranteeing that their platform is an effective way of determining what the market wants.

3. What new business opportunity has this strategy provided?

    The new business opportunity that this strategy has provided investments that have paid dividends. It has also given Moda a good brand image. They have competitive advantages as well through the data because they know what consumers want in different countries and are able to share this information with the market. They release the cost of unsold inventory and returns which are one of the major problems for some companies.