



TAPESTRY: A STRATEGIC MANAGEMENT CASE STUDY

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Abstract

This is a secondary source case that describes in detail the firm Tapestry, the first New York-based house of modern luxury lifestyle brands with a portfolio including Coach New York, Stuart Weitzman, and Kate Spade New York. Each brand has its own unique character and personality yet operates independently while maintaining a collective commitment towards authenticity, inclusivity, and approachability. The multinational company's creative and consumer-driven view of luxury is characterized by its innovative products and differentiated customer experience across value chain channels.

The case opens with an introduction to the firm, including its three main strategic business units (SBU's), and then discusses the firm's vision/mission/objectives, the generic strategy of the firm and its SBU's, its external environment (P.E.S.T. and industry analyses), its internal operations (V.R.I.O. framework and analysis), culminating in a S.W.O.T. breakdown. Results of the S.W.O.T. analysis include considerations of realigning the firm's mission, strategy and structure with its external environment so as to leverage perceived opportunities using the firm's distinctive competencies.

Keywords

Tapestry, Coach, Kate Spade, Strategy, Business, Market, Competition

INTRODUCTION

Tapestry is the first New York-based house of modern luxury lifestyle brands with a portfolio including Coach New York, Stuart Weitzman, and Kate Spade New York. Each brand has its own unique character and personality yet operates independently while maintaining a collective commitment towards authenticity, inclusivity, and approachability. The multinational company's creative and consumer-driven view of luxury is characterized by its innovative products and differentiated customer experience across channels (Business Wire, 2021).

History of the Firm

Tapestry was founded in the early 1940s with a family of six artisans creating men's accessories, wallets, and billfolds in the upper garment district of Manhattan, operating under the name of Manhattan Leather Bags. The artisan's fine workmanship earned a certain cache and reputation with the city's elite businessman and in 1946 they hired the husband-and-wife team of lifelong New Yorkers, Lillian and Miles Cahn who, with their prior leatherworks experience and knowledge, began running the company within a matter of a few years, turning a small profit from the production of men's leather goods (Boughton, 2021).

Coach. The real turning point, however, came in the late 1950s when Mile Cahn's admiration for the fine craftsmanship, materials, and stitching of a baseball glove was used as inspiration to create goods that were strong, soft, supple, and rich in color. This is when his wife, Lillian, suggested adding a women's handbag line to supplement the men's line, which Miles wasn't too keen on the idea at first but her persistence eventually paid off and the company's first women's handbag was created. The bag adopted the Coach moniker and was modeled after a brown paper shopping bag that Lillian carried around as a young girl to deliver her mother's homemade noodles to customers. The bag was a huge success and heritage was born from a classic. Soon after the introduction of the Coach bag, the Cahn's borrowed enough money to purchase the Manhattan Leather Bag workshop in a leveraged buy-out and called the company the Coach Leatherette Company (Fundinguniverse.com).

Over the next few decades, the Cahn's created dozens of women's handbag designs, making up the first generation of the Coach Line. Lillian became the chief marketer and media agent as she showcased and promoted the line. In the late 1970s and '80s, Coach expanded beyond the traditional department store setting when they started a mail-order business and opened several specialty stores.

By the mid-1980s Coach was selling about \$20 million in handbags a year, owned six boutiques, and a flagship store on New York City's Madison Avenue yet, it was time for the Cahn's to trade in the leather business to pursue a growing goat farm and artisanal cheese production business in the state of Vermont. They sold Coach handbags to the Sara Lee Corporation for a reported \$30 million in 1985 and shared a million dollars of the proceeds with lifelong employees (Boughton, 2021).

The Sara Lee Corporation opened stores worldwide, including boutiques inside Macy's and Bamberger stores, and increased their line of goods to include perfume, jewelry, raincoats, scarves, gloves, hats, sunglasses, and shoes. The company increased its revenues, doubled its workforce, and opened a production facility in south Florida to supply its growing fleet. This expansion led to its entry into the international market in 1988 and continued growth through the 1990s when the company began moving away from being just a leather company and positioned itself as a "brand" targeted to the younger consumer (Referenceforbusiness.com, 2015).

In 2001, Coach no longer fit the vision of the Sara Lee Corporation who restructured the business to focus on food, beverage, intimate apparel, and household products. Sara Lee stockholders were offered the chance to exchange their Sara Lee shares for Coach shares in a stock sale that was structured as a "stock exchange" and netted the company a reported \$1 billion. This divestiture enabled the new Coach, Inc. to operate as its own entity and trade on the NYSE. By the year 2012, Coach sales had reached \$4 billion (Referenceforbusiness.com, 2015).

Stuart Weitzman. While the Manhattan Leather Goods company was busy operating out of a Manhattan loft, a young man was born into a long line of shoemakers. Stuart Weitzman was born in Massachusetts in 1942 and spent his childhood at his fathers' namesake shoe factory, Seymour Shoes. Stuart graduated from Wharton School of Business in 1963 and began designing footwear for the family business but when his father passed away two years later, he took over the business with his older brother until 1972, when having to sell the business to a Spanish company, Caressa, Inc. Stuart stayed on and continued to design shoes for the company, saving every penny. In 1986, when he was able, Stuart purchased the company back from Caressa yet continued to produce shows in Spain, only now the company operated under the name of Stuart Weitzman (Gordon, 2013).

Stuart gained worldwide recognition for his ability to turn unconventional materials such as wallpaper, cork, lucite, vinyl, and gold into one-of-a-kind flawless works of art. He designed shoes encrusted with jewels and removable stone pieces for his shoes. Women wearing Stuart Weitzman shoes were crafted to make women feel as beautiful as they looked. This is why many young celebrities trusted him to design their shoes for red-carpet events year after year (Famousfashiondesigners.org, 2021).

In 2005, the company partnered with Place Capital to become Stuart Weitzman Holdings, LLC., who positioned the brand for major international expansion. Five years later, the Jones Apparel Group, Inc. purchased a majority stake interest in the company and by 2012, they owned the entire company when the remaining 45% shares were sold from Weitzman. But two years later, the company was sold by Sycamore Partners, LLC, the private equity fund that owned Jones Apparel Group, to Coach, Inc. \$574 million (Wharton, 2018). Stuart Weitzman stayed on as a shoe designer for the brand until his retirement in 2017. Stuart Weitzman shoes are prominently featured at major retailers across the world and continue to be best known for the nudist sandal, the 5050, highland, and lowland thigh-high boots (StuartWeitzman.com).

Kate Spade. While Stuart Weitzman was busy trying to regain control of his father's company and operate it as his own, a former Mademoiselle accessories editor was busy creating her own handbag designs from paper in her living room. Kate Brosnahan Spade emerged on the scene in 1993, debuting six silhouettes that combined sleek, utilitarian shapes and colorful palettes in a way that was never done before.

Kate Spade opened a small boutique store in the Soho neighborhood of Manhattan and before long, the brand was known for its distinctive modern look and feel. Partnering with her husband, they added new categories to the existing handbag lineup that ranged from eyewear to shoes to paper goods, and expanded the company internationally, selling goods in more than 450 stores worldwide (KateSpade.com).

Six years after the brand was unleashed, the company was sold to the Neiman Marcus Group for 33 million dollars, in 1999. The Spades remained involved with the company after Neiman Marcus took control and continued to expand into new categories, this time taking a jab at bath and body with Estee Lauder, home goods with Lenox in 2003, and even producing airline uniforms for the now-defunct Song airlines in 2004. The company was then sold to the former Liz Clairborne company, Fifth and Pacific, for 124 million in 2006 and the Spades exited the company a year later (Lockwood, 2013).

Fifth and Pacific continued diversifying the brand by adding jewelry, children's goods, and other products, as well as creating a sister brand, Kate Spade Saturday, to appeal to a younger less affluent customer positioned as a "weekend" lifestyle brand (Colon & LeSavage, 2018). Unfortunately the new brand didn't take off as expected and all stores closed in 2015, funneling its goods back to the parent company to be sold. Two years later, the company was sold to Coach for a reported \$2.4 billion in 2017 and one short year later, Katherine Brosnahan Spade

ended her own life, leaving a legacy behind through a whimsical brand, full of color, that she started less than twenty years earlier (Biography, 2020).

It is not surprising that this woven group of three brands brought together to create a beautiful “Tapestry” full of richness, heritage, quality, and personality. Coach synonymous with effortless New York reputed on quality, coupled with Stuart Weitzman strength in femininity driven by an energetic, bold purpose, and capped with Kate Spade synonymous with color, optimism, joy, and femininity dedicated to celebrating confident women with a youthful spirit. These three brands were all brought under one umbrella when on October 31, 2017, the Coach brand, along with acquired Stuart Weitzman and Kate Spade, officially changed its name to Tapestry, Inc, adopting a new branding strategy and moving away from a branded house, to a house of brands, paying both homage and posing a threat to the big three European fashion houses of LVMH, Kering, and Richemont (Howland, 2017). Tapestry as of 2022 is a publicly-traded company and its common stock is traded on the New York Stock Exchange under the symbol TPR (Tapestry.com).

Mission/Vision/ Firm Objectives

- **Tapestry Values:** optimistic, innovative, inclusive
- **Tapestry Principles:** brand-led, consumer-centric meritocracy
- **Tapestry Brands:** Global, unique, and differentiated
- **Tapestry Model:** disciplined, shared, and scalable (Tapestry.com)

Tapestry’s global house of brands embraces individuality and is defined by inclusivity rather than exclusivity. They believe that true luxury is a freedom of self-expression that invokes confidence and authenticity in a person while transmuting innovation into pieces of functional creativity. They celebrate the brands that make up the organization and rely on superior craftsmanship, creativity, and the opportunity for self-expression to create joy for people around the world every day. Value is derived on this principle and not dictated by previous generations or traditions. Tapestry values the different perspectives and contributions of all those working towards something that is emerging, beautiful and unique and continually take the necessary risks to bring out the best in everybody. Their passionate and detailed approach combined with a genuine love of what they do enables the brands to be nurtured and developed so they may reach their fullest potential. Tapestry is about individual expression and collective beauty (Tapestry.com).

Found on the Tapestry website, “we strive to surprise and delight our customers. When producing our products, we seek to do so in a way that respects and values our people, our planet, and the communities in which

we live and work. We want you to love our products, not only because they fit your lifestyle, but because they fit your values as well” (Tapestry.com, 4/22/2021).

The Coach brand is about modern luxury, something to hold onto. They nurture authenticity by staying true to who they are and building genuine, rewarding relationships with customers, partners, and each other. They say what they do, do what they say, and hold each other accountable. Coach integrates individuality and teamwork

comprised of high-performing individuals working together for the greater good of Coach, Inc. They encourage personal initiatives by inviting a diversity of perspectives, trusting emotion and imagination to propel them forward, fusing creativity and logic while using judgment, past experiences, and instincts. They see the possibility in the impossible and pursue their passions with a tenacity to innovate and challenge assumptions with optimism for what could be, Curiosity is embraced as they welcome the unknown understanding that responsibility for delivering excellence is both individual and collective (Coach.com).

Coach’s mission statement is to become the company that defines modern luxury globally with a commitment to everything they do. They celebrate craftsmanship, their hometown, and the optimism of an authentic American style, uniting the communities of Coach through the courage to be themselves, moving the world forward (Coach.com).



“Authentic, courageous, inclusive”



“Stylish, confident, sophisticated”

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The Stuart Weitzman brand is a leading luxury accessories brand that is sensual, stylish, and sophisticated. They are fueled by a culture of design evolving from a shoe manufacturer into a global, multi-category brand. They value authenticity, nurture creativity, and embody an entrepreneurial spirit with teams committed to collaboratively work towards inclusively and the goal of collective success which includes a vibrant group of employees around the globe, artisans from Spain dedicated to craftsmanship, and a team of NYC designers devoted to creating functional works of art that define the brand (StuartWeitzman.com).

The goal of Stuart Weitzman is to delight customers with innovative products, provide wonderful client experiences and marketing that celebrates the confident women who love the brand. The brand's focus on creating



“Joyful, optimistic, colorful”

effortless shoes and handbags, each engineered to empower women with both confidence and comfort, has resonated around the world and continues to inspire women to conquer every day, one stylish step at a time (Stuart.Weitzman.com). Kate Spade values thoughtful details and believes a layer of polished ease looks and feels chic and modern sophisticated colors make a personal style statement all its own. These founding principles define a unique style synonymous with joy along with the integration of its signature mark is playfully woven into each design, sometimes inconspicuously to be searched for. Kate Spade believes in collectivity and empowers women across the globe while supporting suppliers who are transforming communities and igniting change and equity for all women (Katespade.com).

Generic Strategy

Business-level strategy defines the choices a business makes in order to obtain a competitive advantage in a particular industry. It is an integrated, aligned set of actions that exploit the firm's core competencies to create key differences from its competitors in the market (Seker, 2020). Selecting a strategy determines the path to be followed and is important because the long-term performance of the firm is reliant upon the choices they make both classifying and driving the company's behavior as means toward gaining a competitive advantage in the market. (Manalisha, 2021). Michael Porter introduced four generic strategies that guide the positioning of a firm and allow management to focus on the core elements of strategy. They are the broad strategies of Cost Leadership and Differentiation and the more narrow strategies of Focused Cost Leadership and Focused Differentiation. Each of the generic strategies result from a company making consistent choices that reinforce each other and are called generic because they can be used across the board, in any business, on any product, in any industry. (Manalisha, 2021).

Tapestry's recognizable brand labels of Kate Spade, Coach, and Stuart Weitzman each bear their own reputation, presence, and story that sets them apart from other major labels in the industry, even their own. The company is committed to strengthening its brands as well as the overall organization by placing emphasis on the consumer first and leveraging its digital and data content to create a culture of empowerment and entrepreneurship that enhances responsiveness (Wright, 2020). The company's growth in digital reflects their desire to meet the consumer where they decide they want to shop, which is job number one (Zeitlin, 2020).

Tapestry has adopted the focused differentiation strategy and understand who their customer is as they appeal to the niche millennial and gen-z market (Crevoiserat, 2020). They often look inward at their brands to gauge competitive factors, strengths, and weaknesses that reveal insight to be used as strategic motivation towards appealing to that niche. Each brand's individual reputation along with the leveraging of a digital platform to engage with consumers further sets them apart from the rest (Zeitlin Et al., 2020).

When using the focused differentiation strategy, a firm targets a smaller market segment and looks at making its products or services different, more attractive, functional, unique, or durable than others in the industry. Or it can be in how they market their brand, or goods to achieve a value image with the consumers as they focus on various criteria considered important to them. With the focused differentiation strategy, there is a strong emphasis placed on research, development, innovation, product quality, recognizable branding, and effective branding and marketing (Miller & Friesen, 1986).

Tapestry has recognized that people are spending more time engaging on social media channels and is becoming more data-driven and consumer-focused. They are finding new ways to reach their clients by sitting in on focus groups and listening to what the consumer wants, how they want it, and what they would be willing to pay for it. They are deliberately focusing on building value, functionality, and image into its products and delivering them in ways that enhance the brand and increase their (AUR) Average Unit Retail prices (Zeitlin, Et al, 2020).

Since the pandemic, the company's digital efforts have been catapulted by its strategic agenda as outlined in its new consumer-centric multi-year three-prong Acceleration Program that builds agility through a digital-first mindset with initiatives that build stronger connections with consumers to fuel accelerated growth and profits for the company (Wright, 2020).

TAPESTRY ACCELERATION PROGRAM:

- Accelerate growth and profitability
- Accelerate focus on the consumer
- Accelerate with agility and urgency together (Tapestry.com).

The plan focuses on sharpening the needs of its consumers better by clearly defining a purpose for each of its brands and placing emphasis on the consumer. Leveraging data and leading with a digital-first mindset will build data and analytics capabilities that increase efficiencies, drive decision making, increase efficiency and offer the consumer an immersive experience across its e-commerce platform and all social media channels. The company will also simplify internal processes to be able to respond better to its external environment and move with greater agility by continually reevaluating the role of the brick-and-mortar store to optimize its fleet, right-size SG&A expenses, and empower employees to act quickly to meet consumers' rapidly changing needs (Tapestry.com, 2021).

Each of the Tapestry brands is unique and independent yet collectively share a commitment to the innovation and authenticity that is defined by distinctive products and differentiated customer experiences across channels and geographies. The success of the organization is not dependent upon the performance of one single channel, geographic area, or brand. Tapestry defined a series of key strategies for each of its portfolio brands that will result in accelerated growth and enhanced profitability for the organization.

COACH ACCELERATION PROGRAM:

- Deepen consumer engagement
- Create innovative products
- Drive digital sales and increase customer base
- Accelerate growth in China
- Enhanced Marketing and profitability (Tapestry.com).

The Coach brand's focus is on creating innovative and compelling products that are differentiated by geography and customer segments, with a particular focus on increasing growth in China through direct channels and third-party online distribution networks. By offering a true Omni channel experience and sustaining authenticity, inclusivity, and the spirit of NYC, the brand's goal of deepening customer engagement through brand and cultural relevance will drive digital sales and recruit new customers while having a disciplined approach to promotions and presenting a more focused, tailored product assortment will enhance profitability and result in continued Average Unit Retail (AUR) improvements and higher gross margin (Businesswire.com).

KATE SPADE ACCELERATION PROGRAM:

- Define purpose
- Sharpen customer focus
- Reenergize products
- Digital strengths
- Capture market share and improve profitability (Tapestry.com).

The Kate Spade brand has struggled to find a foothold since its acquisition in 2017 and will begin focusing its differentiation efforts to rebuild its core through what it calls its non-negotiable brand elements for its products and capitalizing on a new signature platform. Since the beginning, Kate Spade has always represented color, wit, optimism, joy, and femininity. By solidifying this purpose as a lifestyle brand and amplifying its message through storytelling on a multi-category lifestyle platform while fostering a community of women emotionally connected to and inspired by the brand story and values, offering a distinctive point of view and celebrating communities of women around the globe who live their perfectly imperfect lifestyles (Businesswire.com, 2021).

Kate Spade is increasing its customer focus across all touchpoints as they rely on their digital strength to create engaging and modern brand experiences. By driving top and bottom-line growth through customer retention, re-engaging with old customers, and acquiring new ones, the brand will improve profitability and capture market share (Businesswire.com, 2021).

STUART WEITZMAN ACCELERATION PROGRAM:

- Revive reputation for fit, comfort, and quality
- Grow key categories
- Restore profitability
- Strengthen wholesale partnerships
- Establish a strong digital presence

Stuart Weitzman, the third brand in the portfolio, is concentrated on renewing its reputation for quality, fit, and comfort by listening and responding to customer needs in order to design on-trend footwear. They will grow the key categories that they are known for such as boots, booties, and sandals while increasing its casual assortment and simplifying its products. (Wright, 2020). The brand is working on establishing a strong digital presence by supporting first-class multi-media content and depth of assortment. By strengthening its relationships with its wholesale partners, Stuart Weitzman is building efficiencies while being able to provide relevant products that are consistently executed. And by focusing distribution on where there is the greatest opportunity, such as China, the brand will gain a strong momentum, increase margins and restore its profitability (Businesswire.com, 2021).

With each brand having its own path to follow, Tapestry’s differentiation platform provides consumer insights, a globally diversified supply chain, access to global talent, digital infrastructure, and capabilities that support growth and longevity.

ENVIRONMENTAL ANALYSES

An environmental analysis of an organization is a crucial element of strategic planning and ensures the company is on track towards realizing its goals. A thorough analysis of a company’s external environment must be conducted in order to evaluate which factors are most important to the company, as well as which pose the greatest threat to the firm’s success (opportunities and threats). Conducting a P.E.S.T. analysis helps to assess any environmental factors affecting the firm as well as understand market trends and changes in the market. Once completed, then an industry analysis is conducted to understand the industry forces that impact the firm in the marketplace. Last, a S.W.O.T. (strengths/weaknesses/opportunities/threats) analysis is performed to zero in on the key factors influencing Tapestry’s strategic position.

Political, Economic, Social & Technological Analysis (P.E.S.T.)

A P.E.S.T Analysis is used to understand how external factors affect a company. The acronym PEST stands for the four factors of **Political**, **Economic**, **Social**, and **Technological** circumstances that can affect a firm. When conducting a P.E.S.T. Analysis, the organization assesses these four factors to gain the knowledge of which external factors influence the business and the level of impact they have on the firm’s ability to compete and thrive in the market (Post, 2018).

Political Factors	Economic Factors	Social Factors	Technological Factors
VAT rate	GDP decrease	Demographics	Residential Energy Supply
Tax Deductions	Inflation Rate	Average salary	Available Technology
Foreign trade practices	Unemployment	Tastes and Preferences	Internet

Figure 1: Tapestry PEST Analysis Factors (Bartuskova, 2015)

Political

The Political environment in which a firm competes can have a significant impact on its ability to thrive with the power borne to affect legislation on both, the local and federal level This can add unintended risks to the firm and it turn affect its profitability. Political factors include health and safety laws, regulation and deregulation, testing, import restrictions on quality and quantity, consumer protection, ecommerce laws, and environmental preservation. Tapestry faces many of these factors and they need to be aware of the current laws that affect their ability to conduct business especially in the selection of their raw goods, production processes, and import/export of their goods.

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Economic

Economic factors in the environment in which a firm competes connects money to its product and involves things like interest and exchange rates, inflations, economic growth, taxes, unemployment, consumer demand, and asset value. These factors can have a direct impact on the firm while also posing a threat to its long-term success as it affects consumers’ purchasing power and their ability to spend money. Tapestry needs to be aware of these factors and conscientious with their pricing strategies to avoid and eliminate any economic factor they face.

Social

Social factors present in the environment in which a company competes involves certain attributes, customs, and values of the general population. It is what they believe to be important, and includes popular trends, culture, education, and career aspirations, population growth, age, income distribution, and lifestyle preferences to name a few. In order to stay relevant, Tapestry must always consider what’s on -trend, and gauge the socio-economic environment of the market by looking at these factors and making adjustments as needed.

Technological

Technological innovations can affect a business, as well as an entire industry in which it competes, both favorably and unfavorably. This can include certain processes, automation, research and development, high tech distribution and supply chains, e-commerce, connectivity, point of sale, and debit and credit card processing, Tapestry must examine the level of advancements in the markets they enter as every aspect of the business, from supply chains to e-commerce, can be affected by technological factors in its environment.

Performing a P.E.S.T. analysis on the firm allows Tapestry to determine which environmental factors pose the greatest threat and will affect the business’s performance in both, the short and the long term. This tool will be used, along with the SWOT analysis and Porter’s Five Forces to thoroughly analyze the internal and external factors that affect Tapestry’s financial success and sustainability (Frue, 2013).

Industry Analysis (Porter’s Five Forces Model)

Porter’s Five Forces Model was developed by Michael Porter in 1980 and the framework he developed continues to be widely used by companies to evaluate the industry in which they compete. Porter’s Five Forces Model examines the industry, competition, and the effect of the following on a business: the threat of entry; the power of suppliers; the power of buyers; product substitutes; and the intensity of rivalry among competitors (Adamkasi, 2017).

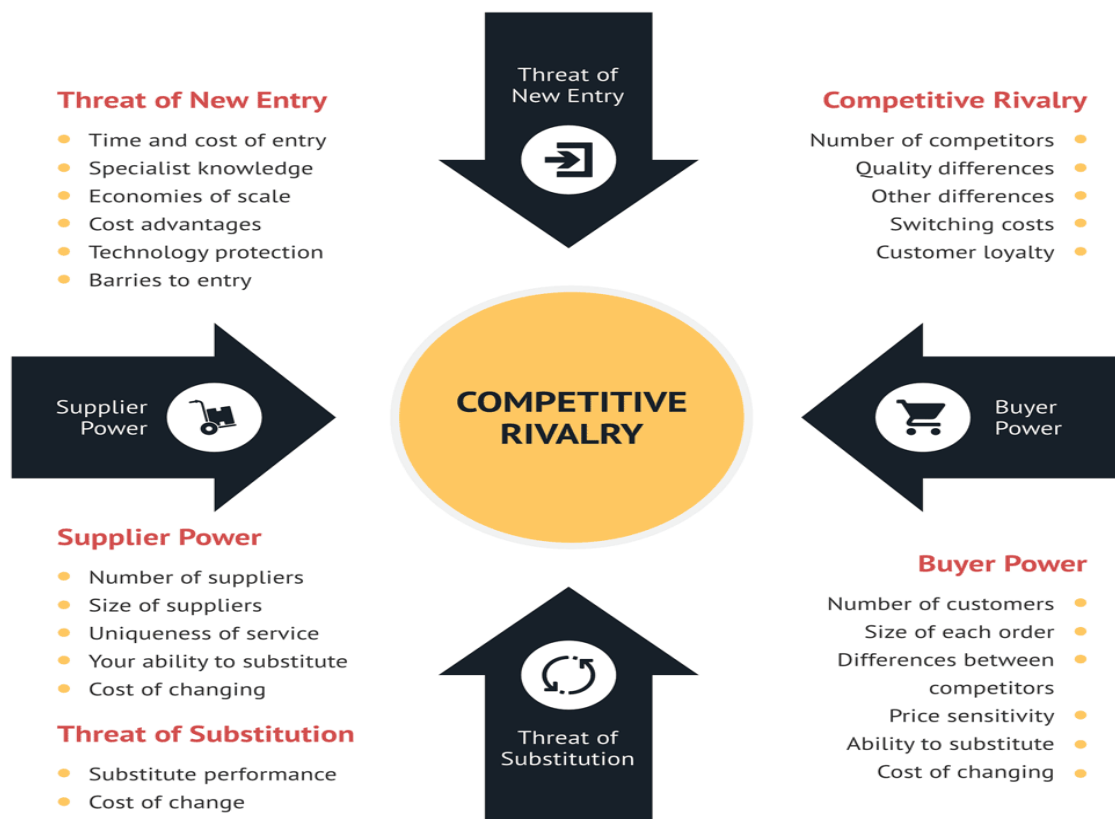


Figure 2 Porter’s (1980) Five Forces Model (Source: <https://consulterce.com/five-forces-analysis/>, 11/1/2022)

The Threat of New Entrants

When an industry is highly profitable and the barriers of entry are low, it will attract new entrants which will affect Tapestry’s prices and profits. Tapestry should invest more in Research & Development to continuously produce innovative products and stay ahead of the competition.

The Power of Suppliers

The Power of Suppliers has to do with the level of influence suppliers have on prices and profits and is contingent upon how many, or few, suppliers there are in the marketplace, their switching costs, and how exclusive the goods

being offered are. At Tapestry, an emphasis should be placed on working towards developing long-term contracts with their suppliers while alleviating the dependence on a few. This could help prevent them from raising their prices in the short term.

The Power of Buyers

The bargaining power of buyers has to do with the influence buyers have to drive prices down. The factors that affect a buyer's influence include the number of buyers and how "price-sensitive" they are, meaning what are they willing to pay for the goods being offered. Tapestry can manage the power of buyers by developing engaging marketing and promotional strategies that attract and target new market segments. Boosting the experience of the consumer and offering innovative products will allow the company to strengthen its competitive edge in the market.

Product Substitutes

Product Substitutes have to do with how many other products are in the market that could be substituted for the product being offered. The availability of substitutes in the market threatens Tapestry's value to potential buyers and as less expensive products of comparable value are introduced into the market, the threat of substitutes becomes greater. Tapestry can mitigate this threat by continuing to establish strong differentiation, improving upon product quality, increase its customer service and engagement to build loyalty, and discourage consumers from buying substitute products.

Competitive Rivalry

Competitive Rivalry has to do with how many competitors there are in the marketplace. Because of the multitude of companies in the market, Tapestry might feel pressured to lower its prices to compete. To increase demand, Tapestry should focus on strategic tactics that make their products more desirable to the consumer such as limiting the production of some items to a small number which would make these goods more appealing and increase the demand for them. The company should also focus heavily on its customer relationships and continually research the market to identify new customer segments to target. (Batuskova, 2015)

INTERNAL ANALYSIS

V.I.R.O. Analysis (Valuable, Imitate, Rare, Organized)

The V.I.R.O. framework (or VRIO) is an essential tool that can be used to analyze a firm's internal resources and capabilities and determine how (or if) they support its competitive advantage. This tool was developed in 1991 by J.B. Barney who identified four characteristics of a firm's resources that will allow them to be successful. According to Barney, the resources must be valuable, rare, difficult to imitate, and non-substitutable. For a company to sustain a competitive advantage their resources and capabilities must meet all four requirements. (Jurevicicus, 2018)

Using VRIO Analysis for Strategic Planning

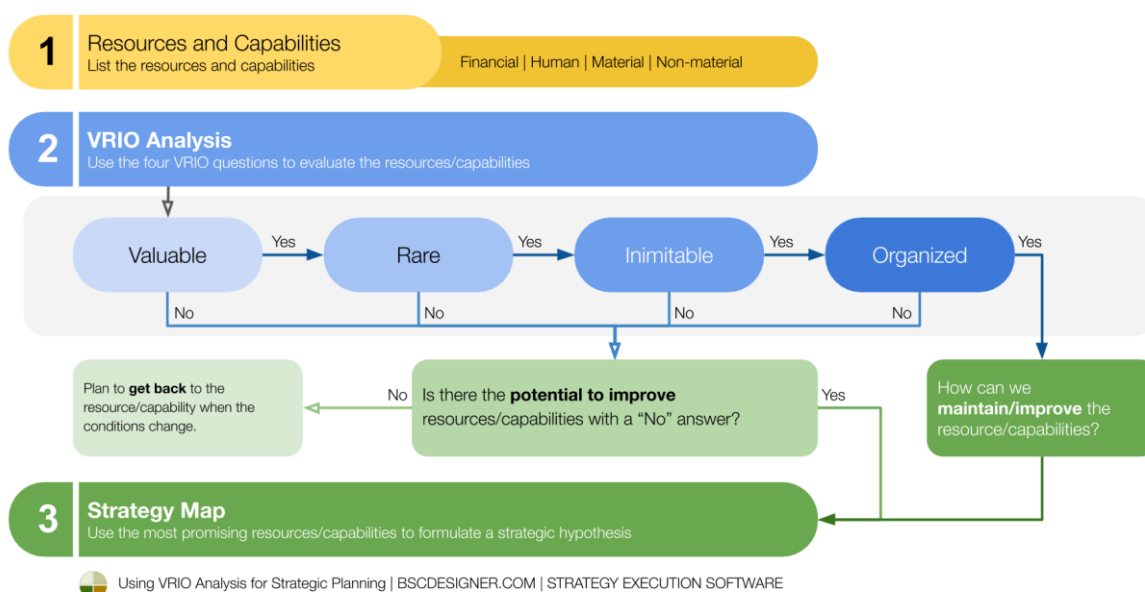


Figure 3 (Source: <https://bscdesigner.com/vrio-analysis.htm>, 11/1/22)

Rare

The craftsmen that Tapestry employs is also a rare resource that allows them to have some of the best leather goods on the market. However, this can work against Tapestry as they continue to expand there could be a shortage of skilled workers.

Costly to Imitate

The patents that tapestry holds protect their products from imitators. In the US Coach has patents for their products as well as for their manufacturing processes. These patents allow them to produce quality high-end goods that are cannot be legally duplicated. (JUSTIA, n.d.) Tapestry's product lines like Coach and Stewart Weitzman are also difficult to imitate because they have perfected their specific production process over many years.

Organization

The organization's structure, financial resources, patents, reputation, and strong revenues allow Tapestry to sustain a competitive advantage. If all these factors are used strategically and invested well Tapestry could rise above all competition.

SWOT Analysis

A SWOT analysis is a well-respected technique used to analyze a firm's competitive position in its business environment and assists in the design and development of a business strategy that aligns with the company's goals. The analysis helps to identify the Strengths, Weaknesses, Opportunities, and Threats that the firm faces, both internally and externally, as it assesses its resources, capabilities, and environment in which it competes to make sure its strategy is on path to help realize its objectives. (Madsen, 2016) Internal factors are those that are under the control of the organization. Tapestry's opportunities and threats are identified by the external environment including the market, competition, political, social, and technological environment. These external factors cannot be controlled by Tapestry. (Ghazinoory, 2011) Once factors are stated, strategies are developed to take advantage of the strengths and opportunities and eliminate the weaknesses and threats.

Strengths**Brand Recognition**

Tapestry benefits from its three established label's brand recognition. Coach, Stuart Weitzman, and Kate Spade are all known internationally as a high-quality luxury handbag and accessories brands. Celebrities and other well-reputed persons of influence are frequently seen with recognizable designs and helps drive demand for the firm's products.

Global Presence

Tapestry's portfolio is relevant internationally. They have a global presence in the fashion world and their designs translate well in many different countries, mostly in North America, Europe, and Asia. The ability of the three Tapestry firms to operate in different markets around the world strengthens the firm by adding different revenue streams from different markets. Seeing the brands' ability to translate across cultural lines is an amazing strength and exhibits how well Tapestry knows its consumer.

Financial

Financially, Tapestry is in a position to grow and make further investments. Last quarter the company reported strong profits and "\$876 million of free cash flow year-to-date" (Tapestry, 2021) This means that Tapestry is bringing in enough revenue to endure challenging times, like the economic crisis brought on by the pandemic, and generates enough capital to invest in itself and find additional ways to add value to their products and to their shareholders. While financial success can be fleeting, especially in the fashion industry, the well-established Tapestry portfolio, particularly Coach, has proven to be a rich source of revenue for the firm (Thomas, 2020).

Quality

Coach, Kate Spade, and Stuart Weitzman have all worked to build a reputation for producing high-quality luxury goods, each with their own personality. Their consistent quality from brand to brand, along with the relevant ways they have learned to engage with their consumer base, further differentiates the organization from other, cheaper, lower-quality alternatives. While the price tag of most of the goods sold by Tapestry's portfolio can be high, the high quality of design, manufacturing, and service is what keeps customers coming back to these well-established brands and is one of Tapestry's greatest strengths.

Strategies for Growth

Tapestry has proven that under their leadership, growth in areas like revenue and brand recognition, is not only possible but "the norm". The firm has used different strategies over the years to ensure growth continues for the

organization. Things like marketing campaigns and allowing each label to embrace their own identity and customer, have kept the portfolio classic but still relevant and allowed for a significant amount of growth to occur (Cable News Network, 2021). The flexibility and strategy behind Tapestry have proven to be a strength since the company's beginning.

Digital Infrastructure

Over the last couple of years, Tapestry has slowly begun leaving behind the idea that their brick-and-mortar stores were the answer to their problems and begun embracing the concept of online shopping (Parisi, 2020). Wanting to attract a younger market in the Gen-Z and Millennial demographic, they have put lots of resources into creating a digital infrastructure and presence that can keep them relevant and growing in this technological world we live in (Parisi, 2020). They've also stepped up their technical support and customer service experience using digital platforms which has become one of their greatest strengths.

Human Capital

Tapestry prides itself on hiring the best and the brightest, and according to the reviews from current and previous employees across multiple jobs and employment websites, the organization seems to be a great place to work (Glassdoor, n.d.). The firm prides itself on being an inclusive, diverse, empowering, and positive workplace and with employee testimonies to back up those claims, it's no surprise that Tapestry has been able to gain the strength of a reputation for having great workers that offer amazing service.

Supply Chain

Tapestry manufactures its goods in multiple areas around the world. However, despite the challenging logistics one would assume accompany such a diverse geographic manufacturing system, the organization is still known for consistently producing high-quality products and meeting the demand of their customers. Even with an already strong supply chain, the organization continues to monitor it and look for ways to improve it, especially when it comes to sourcing high-quality materials to make their products. For example, the organization has already set goals to improve the quality of their leather to surpass even their already high-quality standards by the year 2025 (Responsibility, n.d.).

Weaknesses

Financial Vulnerabilities

Retailers are susceptible to economic crises and other unforeseen events. For example, the Covid-19 pandemic began impacting revenue streams and caused cash flow problems early in 2020. As a result, the vast majority of the brick-and-mortar stores were either closed or operating with greatly reduced hours (Thomas, 2020). With revenue streams already not where they had been the previous year, the organization was faced with challenging decisions that were mostly tied to their lack of financial flexibility and many of their economic vulnerabilities were exposed. This weakness, although exasperated by the pandemic, had clearly already been present, as the organization did not have a strong enough financial foundation to seamlessly take on an event of this caliber without damage, and loss of jobs.

Criticism from Environmentalists

While Tapestry has committed to improving the sustainability of its company, the organization is not viewed very favorably by environmentalists or animal rights activists. Tapestry has goals in place to improve its corporate social responsibility (CSR) practices by the year 2025. They have committed to employing a more diverse workplace, being more philanthropic, and improving the ways they source their leather (Responsibility, n.d.). However, in the eyes of environmentalists, there are some glaring holes in these promises. Specifically, regarding the organization's carbon emissions, labor standards for worker health and overall well-being, and lack of plant-based options in the name of animal rights (Good on You, n.d.). In fact, two of the three brands in Tapestry's portfolio, Coach and Kate Spade, were only rated a 2 out of 5 possible stars in regards to CSR and sustainability practices, for Coach's lack of interest in erasing their carbon footprint, and Kate Spade's lack of transparency and use of angora wool (Good on You, n.d.). These criticisms could really become a weakness for Tapestry if they're not monitored and appropriately addressed.

Corporate Structure

With over 17,000 employees in 2020 and many levels of management between Tapestry corporate, the individual brands, retailers, and more, Tapestry's structure acts as a potential weakness for the organization (Macrotrends, 2020). In large multi-level corporations like Tapestry, changes and information can be slow to matriculate through the appropriate channels. While many corporations of this size have found ways to be successful, this weakness is more something that Tapestry should be cognizant of and ensure that their corporate structure never becomes a

hindrance to their ability to satisfy consumers and deliver their highest quality goods to their loyal customers.

Opportunities

New Products/Product Line

Tapestry has the resources to acquire a new brand or product line that would complement their existing portfolio of brands and help the organization address a weakness or strengthen their existing offerings. For example, Tapestry could acquire, or enter into, a joint venture with a niche vegan brand like Telfar. This relatively new brand creates unisex clothing and vegan leather accessories. They currently produce some of the most sought-after and most affordable “IT” bags: the Telfar Vegan Leather Shopper. (Friedman, 2020) They could also introduce their current products between their three established labels, taking the opportunity to attempt cross-sell their existing products by placing them in ads for their other brands (Hayes, 2021). Tapestry has the opportunity to market themselves as a complete experience and could shoot ads with Coach bags and Stuart Weitzman shoes, or any other combination of the labels. (Friedman, 2020)

Unisex Marketing Campaigns

While Tapestry is known for the designs of some of the most classic feminine silhouettes, there is no reason why the brand couldn't expand their idea of what type of person would want to wear them. The targeted Gen-Z demographic believes “the future of fashion is non-binary” (Velasquez, 2019). Tapestry could take advantage of this and market more items as unisex to allow customers to portray their masculinity and femininity as they choose. This not only could show the organization's attempts at moving towards inclusivity (Responsibility, n.d.), but it could vastly widen the pool of potential customers that could begin to patronize the three brands.

Tap into emerging markets

Tapestry could potentially find opportunities to enter new markets. The firm has recently found financial success in Asia, having its Chinese presence far exceeds the firm's initial expectations (Enverino et al, 2021). Perhaps Tapestry could enter a joint venture with Zara to reach more markets. Zara has 1770 stores in 86 countries, successfully entering markets including the Dominican Republic, Costa Rica, and South America. They are a well-respected retailer that offers quality mid and low-priced merchandise that's always on-trend.

E-commerce

If Tapestry decides to pursue the emerging markets as previously discussed they would also have the opportunity to create or improve an e-commerce platform to reach those new markets in regions that do not have physical brick-and-mortar stores. An interactive website could allow customers in remote regions access to video reviews, by trained Tapestry sales associates, that extensively describe the products' features and functions, and grant those new customers access to an exclusive buying experience to help them acquire any of the three brand's products.

Supply Chain

Tapestry has the opportunity to improve its supply chain and streamline the entire process, cutting costs to the organization as well as finding many other benefits. The opportunity to explore new, better sources of raw materials, buy in bulk, and centralize a fairly spread-out network of manufacturing operations are all opportunities that Tapestry has to create value for the firm in their supply chain.

Production and Quality Control

Similar to supply chain improvements, Tapestry has the opportunity to improve its means of production and quality control. By taking similar steps as listed above for the supply chain, as well as possibly seeking out new manufacturers with higher standards that embrace the same CSR standards as Tapestry, the firm could create more value for their product by ensuring an even higher standard of product quality and service.

Reduce the impact of counterfeiting

Improve consumer awareness about counterfeiting. Ecommerce makes it easier for counterfeiters to sell goods to unsuspecting buyers attracted by low prices on online marketplaces. Tapestry has the opportunity to launch a campaign to make consumers more aware of the difference between authentic Coach, Stuart Weitzman, and Kate Spade items, and what to look out for in regards to counterfeiters. (Luxury Daily, 2021)

Government Subsidies

Tapestry has the opportunity to explore the possibility of seeking business opportunities in regions where governments provide subsidies to firms who can contribute to a positive work/business environment by conducting environmentally friendly operations. Finding these opportunities may not only be financially beneficial for the firm but could also help prove that the organization is working towards the CSR goals they have laid out for themselves

to improve both their impact on the world and their image (Responsibility, n.d.). This would also help aid the firm in addressing one of their other weaknesses, which was the negative feedback they are getting from environmentalists (Good on You, n.d.).

Increased Disposable Income in Developing Countries

Tapestry has the opportunity to attempt to appeal to young professionals, with increased earning potential, and a growing middle class in developing countries. This means that there is more disposable income and increased demand for high-end luxury goods. It would make sense for Tapestry to try to establish themselves in these areas, to attempt to be as successful as they've been able to become in other developed areas of the world.

Threats

Competition

Tapestry has to face the threat of a constantly increasing number of competitors that have entered the market and pose a threat to Tapestry's ability to sustain its customer base. Keeping and expanding their market share is critical to Tapestry's continued success and both their well-established competitors that have been a threat for years and the newly emerging fashion labels that pop up all the time, are something that the organization must continue to monitor.

Changes in Regulations

Since Tapestry's manufacturing is spread out around the globe, the firm faces the challenge of having to constantly monitor changes in government regulations in manufacturing regions that can affect production. These sorts of regulations can include labor laws, trade or import rules, raw material/resource regulations, tax codes, and environmental standards (Gray, n.d.). It's important to both thoroughly understand and monitor any changes, as well as prepare for an unexpected shift in them to minimize disruptions in production.

Rising Cost of Production

Increases in the price of raw materials and labor would lower profits or force Tapestry to raise the prices of their products. For this reason, Tapestry must closely monitor the types of materials they are using as well as the costs associated with them. It would also be in the best interest of the firm to have backup plans to mitigate any sort of risk that comes along with the possibility of materials suddenly becoming much more expensive or much harder to get.

Unstable Economies

Unstable or deteriorating economic conditions can affect consumer spending patterns. They can also drive up the costs of certain materials and create uncertainty in the supply chain. While economic crises can be hard to predict, it's important to have emergency plans in place, as well as the ability to consistently monitor any areas where business is conducted, both up and down the supply chain, that operate within consistently unstable economic environments.

Shortage of Skilled Labor

As Tapestry continues to grow, the organization needs to ensure that they have talent spread throughout the firm from manufacturing to corporate headquarters. As previously discussed, Tapestry attempts to create a great work environment by hiring the best workers available, (Glassdoor, n.d.). The shortage of skilled labor could cause a variety of problems, including making it difficult to attract and retain the best talent and finding workers that can craft the famous bags and designs of the three brands within the firm (Irwin, 2021).

Results of SWOT Analysis

When a SWOT Analysis is performed, it is always a good telltale sign when seeing the list of strengths and opportunities exceed that of the weaknesses and threats list (see Figure 3, SWOT Matrix) This, coupled with consistently high revenue levels of the firm is a great indication that Tapestry's strategy is working (Repko/Thomas, 2020). Tapestry's incredibly strong brand recognition, growth strategies, and digital infrastructure are just a few of the strengths driving the business and fostering success for the firm, from within the organization. Coach, Stuart Weitzman, and Kate Spade have all spent years staying true to their brand's aesthetics, allowing each label to shine as they are, and encouraging their customers to do the same. Tapestry's knowledge of its customer base, along with its superior quality, trusted reputation for high standards, and impeccable design all support the firm's greatest strengths and nurture a deep sense of brand loyalty for its customers.

The SWOT Matrix

Internal	<p>Strengths (S)</p> <ul style="list-style-type: none"> • Brand Recognition • Global Presence • Financial • Strategies for Growth • Quality • Digital Infrastructure • Human capital • Supply Chain 	<p>Weaknesses (W)</p> <ul style="list-style-type: none"> • Financial vulnerabilities • Corporate Structure • Criticism from Environmentalists
External	<p>Opportunities (O)</p> <ul style="list-style-type: none"> • New Products/Product Line • Emerging Markets • E-commerce • Unisex Marketing Campaigns • Supply Chain • Production & Quality Control • Reduce the impact of counterfeiting • Government subsidies • Increased Disposable Income in Developing Countries 	<p>Threats (T)</p> <ul style="list-style-type: none"> • Competition • Counterfeiting • Rising Cost of Production • Changes in Regulations • Unstable Economies • Shortages of Labor

Figure 4

Tapestry needs to understand these strengths moving forward as they need to ensure these assets are highlighted and utilized in its strategy. Knowing what your firm does best and accentuating those high points is the easiest way to make sure that the firm stays on the path towards financial success. Tapestry might mean woven together, but the desire to let each of its brands to shine and flourish on their own is bold and allows for each individual label’s consumer base to feel seen as they come to rely on the consistency of the brands, season after season. Expanding on these strengths would be a smart move for Tapestry. Getting better at what the organization already does well allows for the slight realignment that may be necessary to happen smoothly. This indicates that there may not need to be great organizational shifts in strategy, but rather amplifying individual strengths. For example, Tapestry’s labels all have great brand recognition, Tapestry should allow that to work for them by allowing designers to play up their logos and other strong design features that the consumer most familiarizes the brand for. The brands are all synonymous with luxury and high quality. These are things we know that consumers want. Allowing the designs to speak for themselves helps establish a sense of confidence in sales and marketing that allows for more freedom in design expression and ad campaigns.

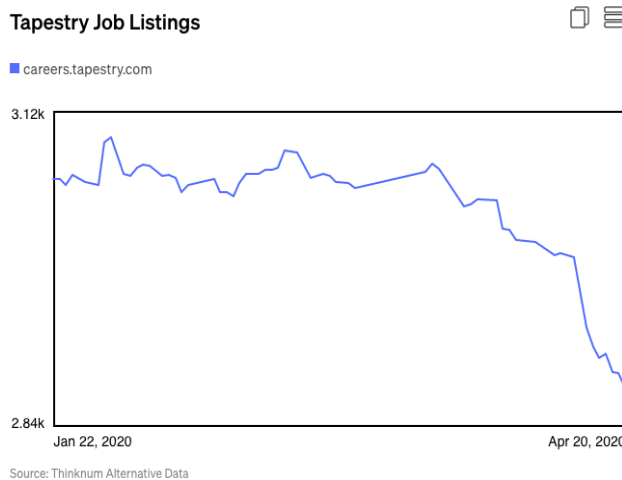


Figure 5 (Russo, 2020)

Luckily, the list of Tapestry’s weaknesses is shorter, but none less important. The pandemic hit many industries hard, and luxury fashion was no different. 90% of Tapestry’s brick-and-mortar stores were closed or had to operate with the constraints of reduced hours or limited store capacity (Thomas, 2020). The organization, while still profitable, had seen a small financial slide in the year leading up to the pandemic, but we’re confident that they could turn it around. That was of course before the fashion industry turned upside down as the result of one of the largest economic crises in modern history. To adjust to the slump in sales, Tapestry tried to cut its expenses by relying more heavily on its strong digital presence to move away from its previous dependence on brick-and-mortar operations and cut jobs at both the corporate, and retail level (Thomas, 2020).

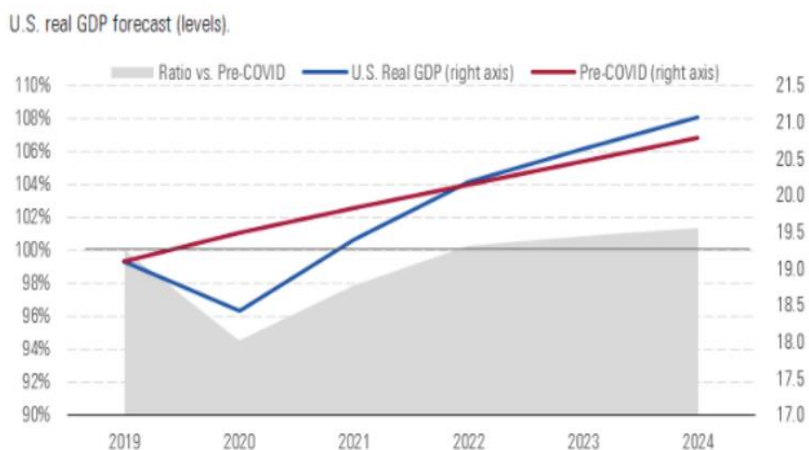
The decrease in job listings continued as hiring freezes occurred as well as large layoffs and furloughs that were necessary to ensure that the organization would have the cash resources on hand to reopen the stores when they were able to across the country (Russo, 2020). The cutting of jobs, as well as the loss in revenue, are two main indicators of the financial struggles that Tapestry experienced over the past year. It’s also important to understand

that Coach is the organization's major revenue builder and breadwinner, consistently outperforming both Stuart Weitzman and Kate Spade, year after year (Trefis Team, 2019).

Keeping in mind the firm's financial weakness is critical to finding the right strategy for them moving forward. The internal weakness is something that needs to be overcome for the business to operate to the best of its abilities and generate enough in sales to reinvest in the critical business operations. This would make the firm more profitable while illuminating Tapestry's ability to bring high returns and financial yields to investors and the outside business world. The financial weakness of Tapestry can also act as a good starting point to use strategy to achieve financial goals. Implementing a strategy that drives revenue and increases profits is a way to moving financial issues and vulnerabilities from an internal weakness to a strength over time.

After taking the time to analyze the results of the firm's two internal areas of the SWOT analysis, it is best to move on to the external factors and see what opportunities the firm has. The long list of potential opportunities for Tapestry shows that the firm is brimming with potential. The organization's strengths create these possibilities and if used strategically could steer the firm financially forward. Due to the creative nature of the fashion industry, new opportunities are always one new idea or design away. Introducing new products or a new product line always carries the potential to bring in new customers, increase market share, and drive revenue.

Tapestry's name recognition and reputation are strengths that can drive potential opportunities as well. Perhaps allowing the firm to explore a new niche market to fit its focused differentiation strategy, expand its customer base in its already established pool of consumers, or explore the possibilities of new sales internationally would help the company achieve its goals. They are a rooted organization that houses three popular labels with similar offerings across their product lines in the luxury fashion market. These similarities allow for opportunities to lower expenses and explore possible changes to their supply chain that help lower costs, increase quality, and possibly slow down the likelihood of passible counterfeit goods cutting into their profits.



Source: U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Morningstar.

Figure 6 (Caldwell, 2021)

opportunities are realistic, cohesive with its vision, and pragmatic to weave into its current strategy to minimize transitional "growing pains". Taking advantage of plausible opportunities is essential to making sure the organization doesn't leave any potential revenue on the table. Seizing opportunities is also a great way to plan for the future, especially if the firm wants to use a cash management infrastructure that allows for the business to reinvest in different projects to hopefully increase revenue (Ross, 2016). Tapestry would benefit greatly from understanding and recognizing opportunities when they present themselves.

Finally, analyzing the firm's threats is the best way for Tapestry to try to navigate its external environment in a way that helps the business avoid situations that could negatively impact the firm. Tapestry has been forced to operate in the current pandemic-induced, unstable business environment by which one might assume the threats to be greater to business than they might be otherwise. However, upon examination, many of Tapestry's threats would be present regardless, making it that much more important for the organization to always have a plan to avoid potential threats, no matter the current state of the industry.

For example, competition is a threat in essentially every industry. Tapestry, being in the luxury bag brand market, faces a little bit more of a unique twist on competition in that new competitors seem to break onto the scene all the time. Every time you crack the cover of *Vogue* magazine, there is a breakout designer showcasing their talent and new luxury bag line. It's hard to predict what competitor might root itself in the industry and start to chip away at Tapestry's share of the market. However, Tapestry's largest competitors are the well-established luxury

The pandemic itself has hindered the financial growth of the organization yet could actually be seen as an opportunity in itself. The slower pace of business could provide needed time to plan, design, and innovate while management decides on the best strategy for the firm going forward (Kraaijenbrink, 2020). The rebounding economy could potentially find a pool of consumers anxious to shop and spend money, especially with the GDP rising and the economy predicted to make a full recovery to even exceed pre-Covid levels heading into 2022.

Tapestry could posture itself to be the company consumers look to as they spend their increasing disposable income, both domestically and around the world; specifically in China. It is in Tapestry's best interest to make sure its

brands that have been around long enough to know their customers well and continuously deliver what they want: LVMH, Burberry, Gucci, Fossil Group, Prada Group, Hermes, Michael Kors, and others, all threatening to deviate the loyal Tapestry customer from their typical purchase and put the company’s financial situation in Jeopardy (Owler, n.d.). Research, and a thorough understanding of the competitive environment, can help drive the firm into making the right decisions for their business.

Other threats could potentially hinder Tapestry’s ability to produce the high-quality products they’ve become known for, such as changes in manufacture regulations either in the United States or abroad, rising costs for materials, other aspects of production, and labor shortages. A disruption in the manufacturing process could have dire consequences for a luxury bag brand. A small shortage could make a product more desired if it is hard to get, but in a highly competitive environment with many different options for consumers to select as alternatives, it is risky to ignore the potential problems that threaten the supply chain’s ability to get products to the customers. It is in Tapestry’s best interest to understand this and plan accordingly to keep these threats and others at bay.

After the SWOT Analysis is analyzed, it makes sense to further investigate as to whether the firm’s strategy is currently working. Is Tapestry steering the ship in the right direction? Are they considering all internal and external factors to maximize their potential and find financial success? Well, it seems as though the firm’s strategy is working and despite a rocky year leading up to, and during the beginning of the pandemic, the organization has been able to minimize the pandemic’s damage and find success, at least in market value through the first quarter of 2021:

Tapestry has been able to find success with its focused differentiation strategy, concentrating on its digital platform and on gen-z and millennial consumers in the market for luxury bags and accessories. There seems to be an alignment between Tapestry’s strategy and its ability to play to its internal strengths and navigate around potential threats. Tapestry’s ability to provide high-quality designs from each of its brands that know their customer, has proven to be successful and brought life back to the organization that may have been down during the pandemic, but most certainly not out. The fact that the brand had invested in a transition to focusing on its digital presence and sales, ended up boding well for a world with limited brick-and-mortar access and has continued to help the company succeed, even after major markets began to reopen to the retail world.

Tapestry’s desire to allow its three brands to stand on their own has proven to be successful as they’ve let their brand recognition, high quality, and reputation keep them on track. Their commitment to knowing their customers and making sure their products are accessible to those who want to buy them have helped increase revenue and made Tapestry a business to watch in the post-pandemic world. However, the organization definitely needs to take the opportunities that are being presented to them that fit within their already succeeding business strategies.

Other Suggestions and Recommendations

The current health crisis took a toll on thousands of businesses and industries around the world and the retail fashion industry was not impervious to the resultant negative economic effects. Tapestry’s commitment to strengthening its digital presence before the pandemic wreaked havoc on brick-and-mortar store sales, found themselves saying “it could have been worse” when reviewing their fourth-quarter pandemic losses and finding that they were not as significant as expected. The firm realized notable sales growth in China and is optimistic about future revenues returning to pre-pandemic levels as they recommit themselves to listen to their current customers as a way to make that happen (Repko/Thomas, 2020). By utilizing a focused differentiation strategy, they continue to bring in sales of over half a billion dollars a year, even during the tough pandemic era. It would only make sense for them to continue doubling down on this strategy, continuing to place a strong emphasis on their branding and identity efforts, coupled with their digital endeavors to gain market share, and attract the coveted millennial and gen-z markets.

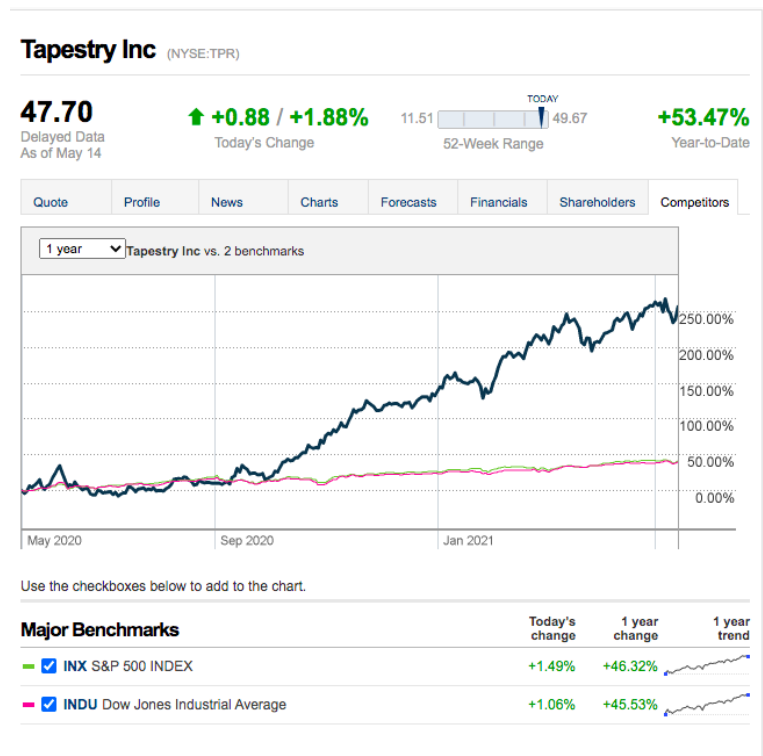


Figure 7 (Cable News Network, 2021)

It's no secret that Coach carries the Tapestry portfolio, with an average revenue share of over 80% between the years of 2015 to 2018 (Trefis Team, 2019). It would behoove the firm to alleviate some of the pressure placed on Coach to carry to brand which could be achieved by finding a brand that could both bring in revenue, and still appeal to the established customer base that has made Tapestry successful thus far. Perhaps the acquisition of a luxury bag brand such as Etienne Aigner whose heritage-inspired aesthetic compliments the range of Tapestry's existing brands well, and could add a more classic, refined, feel to the portfolio, while paralleling the fine craftsmanship and leatherworking of Coach (Etienne Aigner, n.d.). While EA's most profitable days seem as though they are behind them, the brand could easily rebound and be brought back to life with the digital resources and brand bolstering that comes with being a part of the Tapestry family. The fact that the brand was more popular with previous generations could appeal to an older audience, as well as the daughters and granddaughters that admire the classic feel and long history of the brand and bring a new market to Tapestry. Under the right circumstances, Etienne Aigner's high-quality leather craftsmanship and strongly designed silhouettes have the potential to soar once again, and the acquisition could come at a great price considering the recent decline of the brand's recognition. Etienne Aigner has all the right elements to thrive, it just needs the proper place in the world of fashion, and the right company to market its goods. Tapestry has the wherewithal to do this and appears to be a great fit.

Nevertheless, there is another direction Tapestry could go in that would strongly support their focused differentiation strategy but create space for the firm's entry in another strongly emerging niche market. It is estimated that within the next year, generation-z will make up almost one-third of the world's population (Shroeder, 2019). Unlike previous generations before it, gen-z seems to be taking their health and personal impact on the world seriously, enough to cause business strategists to believe that sustainable, responsible, ethical, and vegan organizations will be the ones gaining the majority of this generation's business heading into both, the near and distant future; "This is not a fad, but a deep long-lasting trend," (Schroeder, 2019). Recent polls have shown that 35% of the gen-z population wants to be completely meat-free by the end of this year, showing up their millennial counterparts (Chiorando, 2020). This meat-free lifestyle is a conscientious mindset that doesn't just apply to diets but extends to fashion as well with vegan, animal-free clothing, and accessories rising in popularity more than ever (Di Boscio, 2021). This is the perfect time for Tapestry to carve out their portion of this niche market while continuing to appeal to their growing gen-z customers while attracting new customers who previously were not able to patronize the brand due to a lack of vegan options. The effort alone could be enough to bring in those consumers, especially if the vegan designs emulate some of the more popular classic designs those consumers have always coveted but not been able to have.

Tapestry has a few different options when it comes to entering this niche market. The firm can opt for each of its brands to develop a line of vegan options in the styles and silhouettes that make them each unique and well-loved by their existing customers. It's not just animal rights, but gen-z places great importance on corporate social responsibility (CSR) and environmentally friendly business practices as well (Di Boscio, 2021). Taking this approach could be a winner as the organization would have the time to reinforce its sustainability practices throughout its supply chains and existing brands, as well as build each brand's identity by marketing each label as brands that are committed to both responding to their customer's needs and desires, and decreasing their environmental impact. This approach, however, runs the risk of appearing ingenuine to the eco-conscious consumer as the juxtaposition of setting vegan options next to genuine leather offerings may not necessarily be well received.

Perhaps the best idea for Tapestry's continued growth would be to acquire one of the few blossoming vegan luxury bag brands that have popped up over the past few years. Possibly a brand such as Polish luxury vegan purse and bag maker, Alexandra K, winner of the coveted 2014 Vegan Fashion Award for best women's handbag, would be able to give Tapestry the eco-friendly push it needs to stand on its own two feet within the portfolio (Whole People, 2021).

Even NYC's luxury handbag brand, Angela Roi, who has taken the vegan fashion scene by storm and sat at the top of numerous "Best of" vegan lists could be a viable option for the company to acquire, especially with their creative initiatives to reduce waste that is such a pervasive problem within the fashion industry (Eco-Friendly Habits, 2021). The waste reduction would complement Tapestry's existing strategy well and act as another benefit of bringing the business into the fold. Angela Roi prides itself on making the "right" business decisions for the brand, and the environment, while making absolutely no sacrifices in regards to quality and design (Angela Roi, n.d.). The reality of the situation is that either of these brands would seamlessly fit with the already established design aesthetics of the "woven" Tapestry family, and help bolster sales for the organization while attracting an even larger segment of their already established millennial and gen-z market.

Speaking of different materials that are being used to produce the line of bags and accessories across all of Tapestry's brands, a lot of value could be found in examining the manufacturing practices from label to label. Currently, Stuart Weitzman's line is manufactured in Spain and most of Coach bags are produced in China, and occasionally Vietnam (Painter, n.d.), which is convenient considering the growing market for the bags in the area (Trefis Team, 2019), (Stuart Weitzman, n.d.).

Around the mid-nineties all of Kate Spade's handbags began being marked with a "country of origin" tag that lets the consumer know where the bag was manufactured, which could be any number of countries including the United States, China, Italy, or the Dominican Republic, just to name a few (Material World, n.d.). Perhaps a centralization of manufacturing would be an appropriate strategy shift to streamline the supply chain and improve quality assurance while striving for quantity discounting when purchasing materials across multiple labels within the Tapestry brand portfolio.

Theoretically making this move could help cut costs substantially while still supplying the same high-quality products to Tapestry's consumers around the world and allow for improved operational oversight to ensure manufacturing practices remain up to par with the organization's values. By building supplier relations, this would also ensure manufacturing consistency between all brands within the Tapestry portfolio. As long as the quality remains consistently high, the combination of two or more of the brands manufacturing to a centralized location could really help to improve the organization's bottom line and ensure the financial success of Tapestry for years to come.

Final Comments

Given that Tapestry's current focused differentiation strategy seems to be working, it makes sense to continue moving forward in that direction, but to add value to the brand that more individuals in their target market will find appealing. Tapestry's established, well-woven together brands, stand well nicely on their own, while also cohesively as an organization. Acquiring another brand, or two would add to their house of lifestyle brands by diversifying their portfolio in a way that would appeal to both their existing customers and draw in new customers within their targeted demographic. This would be beneficial to the business as a whole. Coach, Stuart Weitzman, and Kate Spade are all well-established brands, and adopting another one could keep this lineup new and fresh while maintaining the integrity and classic designs that have made the business successful from the beginning. For Tapestry, the "transformation" is less about a big change or overhaul, but more about continuing to add on to the strategy that has gotten them so far already in the fashion world.

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