



Facultat de Ciències Jurídiques
i Econòmiques · FCJE

MARKETING PLAN FOR

INMATEX
fabrics factory



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1 SUMMARY

INMATEX S.L. is a B2B wholesale company that has been producing fabrics for fashion, home, outdoor and technical fabrics since 1981. Its production is made to order and for stock, and it has ecological and recycled fabrics that are distributed mainly in the local market, although it has international sales.

In recent years, the concern with the environment on behalf of the population has grown and this has led to a change in consumption habits, this concern has caused companies to adapt to this change.

Throughout this marketing plan, an internal analysis will be carried out in order to know the resources available to the company, and an external analysis that will allow us to know the market situation. Subsequently, we will analyse the market for textile products in a more specific way, and we will analyse the behaviour of consumers, both resellers and final customers who subsequently buy clothes, curtains or carpets. Finally, various objectives are proposed to improve the initial situation analysed, which highlights the goal of turning the company's website into a useful tool for customers or the introduction of online sales.

In order to achieve the proposed objectives, eight actions are set forth that try to adapt a little to the philosophy and monetary levels in which the company moves. Due to the fact that we are dealing with a large company, proposing and introducing online sales is something necessary that INMATEX must introduce if it wants to stand out and compete on a one-to-one basis with its direct rivals, so the majority of actions will be related to this and to the development of environmentally-friendly products.

Finally, these actions have an approximate budget (some of them have a variable cost or increase depending on sales) and a calendar, where you can see the start and duration of the actions. In addition, guidelines and tools are proposed that the company can use to control whether the proposed objectives are met throughout the year. Finally, it incorporates a ROI (Return on Investment) equation that will approximate the return on investment based on the estimated profits and estimated costs involved.

2 SITUATION ANALYSIS

2.1 Internal analysis

2.1.1 Company presentation

Industrial Marín Textil, S.L. (INMATEX S.L.) is a company founded in 1981 by Luisa Camañes Montserrat; a company which inherited the textile tradition from the beginning of the 20th century. INMATEX supplies raw fabrics for the home, being one of the most important suppliers on the European continent. Currently located in Castellón de la Plana (Spain), the company has allocated its resources to adapt to the global dynamics of trade, always keeping itself at the forefront of technology, reliability, innovation, diversity and above all total satisfaction of customer needs.

The company has state-of-the-art machinery which includes warping machines, a gluing machine and around 180 looms that produce 20 million linear meters per year. It currently has two production plants between which it divides its production. The first production plant is in charge of the cotton sector and produces 20,000 square meters of specialized fabric. The second production plant is in charge of the silk sector and produces 8000 square meters of specialized fabric. INMATEX specializes in articles traditionally framed in the textile-home area. However, over the last few years the range of articles produced by the company has been extended to new sectors such as clothing and technical fabrics. In addition, the company has a team of workers specialized in design who look for new trends and collaborate with customers to adapt new products to their specific needs.

2.1.2 Mission and vision

INMATEX's mission and vision are:

- **Mission.** INMATEX's mission is to satisfy all types of customers, especially domestic customers, by means of diversified product lines, maintaining quality standards based on innovative capacity, flexibility and service vocation.
- **Vision.** To become a reference textile company at local and international level, generating employment, with efficient processes and honest behaviour capable of satisfying customer needs based on a culture of operational excellence.

2.1.3 Values

INMATEX's values are:

- **Social responsibility.** INMATEX reuses all types of materials and even produces very organic products. The goal is to produce the needs of the present without compromising the needs of future generations.
- **Family atmosphere.** Every person recruited by the company begins with the possibility of growing and developing. The atmosphere and interaction between the different groups of the company (operators, middle managers and directors) is the same as that of a family.
- **Teamwork.** The family atmosphere supports the company and allows workers to do a great job as a team.
- **Commitment.** Ensures quality production with design and innovation that will meet the expectations and needs of customers. Some of the certificates that guarantee this commitment and trust and that endorse their products are the certificates of *Textiles de Confianza - Norma Oeko-Tex standard 100* and *Made in Green*.
- **Creativity and variety.** All its fabrics are manufactured in-house. Their versatility allows them to produce any type of fabric, however unique, with the highest possible quality and speed, and the ability to develop new designs that adapt to the needs of customers on an individual basis.

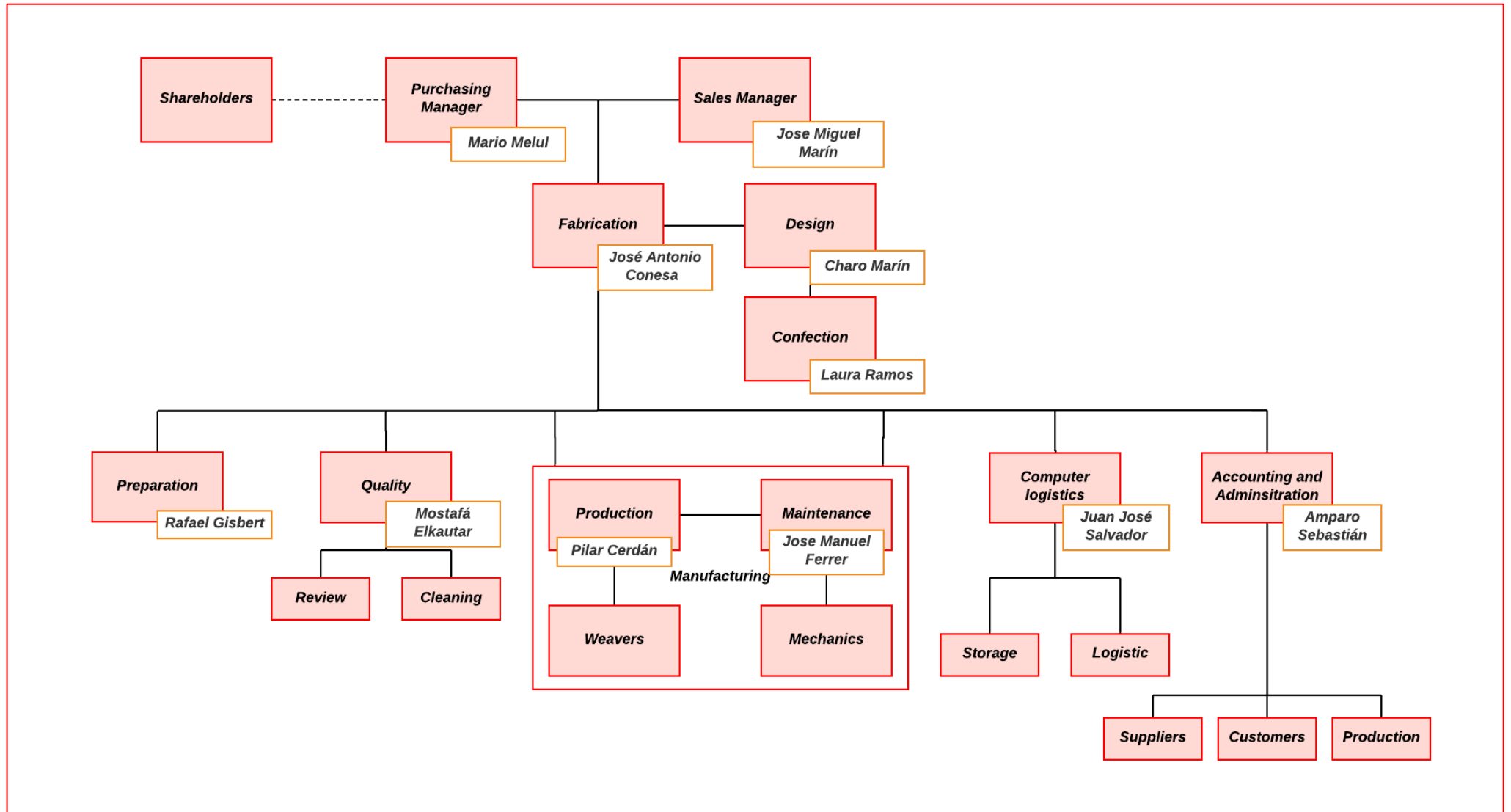
2.1.4 Company resources

In this section, we will analyse the resources of INMATEX. It is important to know what resources the company has in order to be able to find its weaknesses and strong points. In the first place, we will analyse the company's human resources, physical resources and continue with the financial and marketing resources (4P) and finally we will carry out an analysis of corporate social responsibility.

2.1.4.1 Human resources

As for the human resources available at INMATEX (*figure 1*), we find an organization with a staff of around 120 employees. In addition, it has a group of 35 workers in a second operations centre, which we will explain below in the physical resources.

Figure 1. Organization chart op INMATEX S.L.



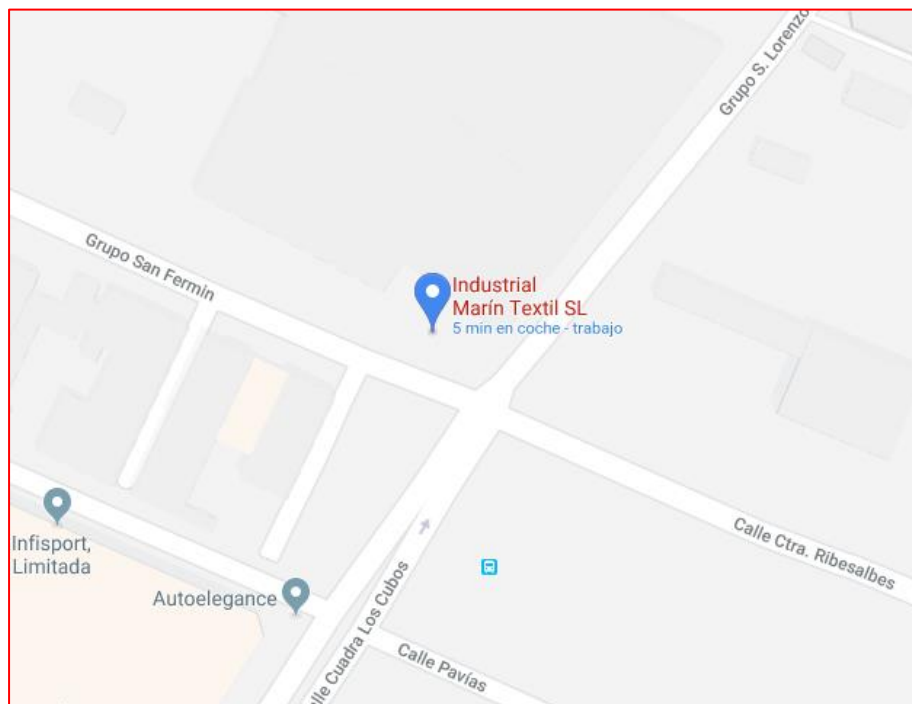
Source: Own elaboration

As can be seen in the hierarchy chart above, INMATEX has a functional organizational structure. The company does not have a human resources department as such, so those in charge of the departments themselves carry out the management of employees. These are in charge of conflict management, vacation assignment or performance evaluation. In the case of more serious conflicts, the problems are transferred to the factory manager or, this step fails, to the higher managers. Finally, the company has a set of shareholders and owners who do not influence the management of the company.

2.1.4.2 Physical resources

With regards to the physical resources available to INMATEX, its operations are carried out in 20,000 square metres. In these facilities, which have their fiscal domicile in CR Ribesalbes (Grupo San Fermín) 20 in Castellón de la Plana, the company manufactures part of its production and stores all its products for later distribution (*Map 1*) where it has over 100 looms (*Picture 1*). Another part of the company's production takes place in a facility in Santa María de Corco, province of Barcelona. This is where BERNÁ TEXTIL is located, a subsidiary company which only produces for INMATEX and which acts as the second centre of operations. Here the company has some 35 workers who specialise in the production of rapier looms.

Map 1. INMATEX S.L. location



Source: Google Maps

Picture 1. Loom and loading bridge of INMATEX S.L. in Castellón



Source: Own elaboration

Due to the high production and the type of materials which it produces (non-perishable products), the company has been forced to expand its facilities. For this reason, INMATEX is building a second 12,500 square metre industrial warehouse in Castellón to which it intends to move its operations centre and store the excess production that the company has. It also has an ERP in the implementation phase (*Loomdata* and *VStock*) that will facilitate the development, management and location of products and raw materials.

2.1.4.3 Financial resources

INMATEX was constituted in 1981 and continues the legacy of the great textile tradition that existed at the beginning of the 20th century. The initial expenditure paid by the company in concept of social capital was 477.795€.

This disbursement bore its fruit and, thanks to INMATEX's experience today, revenues of around 24.6 million euros and operating results of 2,217.025 euros, a figure that is almost four times the initial investment. With data from the ranking of companies in Spain, INMATEX ranks 132 in the province of Castellón. In terms of national data with these numbers, the company ranks 14th among the companies with the highest turnover in the Spanish textile sector and 7052nd in the ranking of Spanish companies.

2.1.4.4 Marketing resources

As far as INMATEX's marketing resources are concerned, we will carry out an analysis known as MARKETING MIX in which the four main variables of the companies' business are taken into account. These variables are Product, Price, Distribution and Promotion. Fifthly, we will analyse the company's corporate social responsibility, as this is an important factor to take into account. The objective of this analysis is to know the situation of the company and thus be able to develop a specific strategy for subsequent positioning.

- **Product.**

This variable encompasses the base product and all those elements that serve as supplements to it, whether packaging, customer service or warranty. In the case of INMATEX, we find a gargantuan diversity of products. The machinery and the human team of the company allow for the manufacturing of any type of fabric for each and every sector that use textile products and annually develops around 800 new references. Around 90% of the company's products are sold raw, so in order to classify the products we will separate the different areas of the textile sector where it trades. Its production can be divided into four main product branches: Fashion, Home, Outdoor and technical and special.

Fabrics for Fashion.

As mentioned above, INMATEX is committed to innovation and creativity, and for this, it has a design team dedicated to the constant development of fabrics that vary from the most sophisticated silk like fabrics to the simplest and most natural, including all types of bases, prints and dyes.

All of these fabrics are made with different materials such as cotton, linen, viscose, acrylic, polyester, polyamide, acetate, metallized and other fibers present in the market. All this with the aim of adapting to current demand, including organic cotton and recycled polyesters, in a wide range of colours. In addition, its fashion products are accredited with ***Oeko Tex Standard 100, Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) and Global Recycle Standard (GRS) certifications.***

❖ **Fashion:** Products with own design elaborated with the collaboration of the clients in order to adapt them to their proposals and needs. Stripes, checks, dobby and plain, all with different textures and qualities that are suitable for designing both formal and informal fashion, both for women and men. Some of the fabrics produced for fashion are:

- **400-330 IR:** Double sided fabric with texture of waves, for party and ceremony. Its composition is 100% polyester and its average weight is 153 gr/m2.



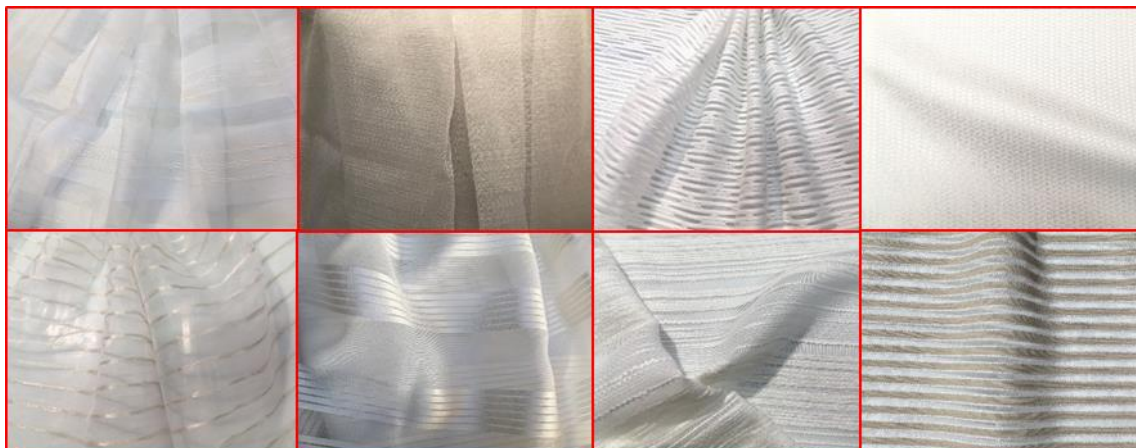
❖ **Fabrics for children:** Fabrics designed for children's clothing, with designs and qualities for both formal and informal use.

- **400-608:** Fabrics designed for children's clothing, fabric for trousers, T-shirts, blouses or hats.



❖ **First Communion:** Designs created especially for communion wear and novelty fabrics, openwork and transparencies, make each design a unique fabric.

- **500-X:** Fabric with organza stripes, its composition is 83% polyester and 17% cotton and its average weight is 39 gr/m2.



❖ **Lining:**

- **MAR & OCEANO:** SEMI-MATE flat fabric available in 90 colours and glossy flat fabric in 88 colours. Its composition is 100% polyester and its average weight is 62 gr/m2.



- ❖ **Footwear:** Plain, striped, printed, structures with small drawings, bases for stamping. Rustic or silky look. All of them in different compositions make our articles cover a great part of the needs of the footwear industry.

- **450-404:** Glossy matt striped fabric whose composition is 100% polyester and its average weight is 143.84 gr/m2.



Household fabrics.

Within the branch of products produced for the home, we find two large groups. These two groups are divided into **printing and dyeing bases** and **fabrics with dyed yarn**.

- **Printing and dyeing bases:** A set of textile fibres and their mixtures are produced in different weights and weaves. The main references are divided into satin, pique, flat, serge, paperback, devour, half panama, dobby, canvas, ottoman and panama.

❖ **Satin:**

- **Nº5365 RASO:** Stamping bases in a smooth satin design. Its composition is 100% cotton and its average weight is 140 gr/m2.

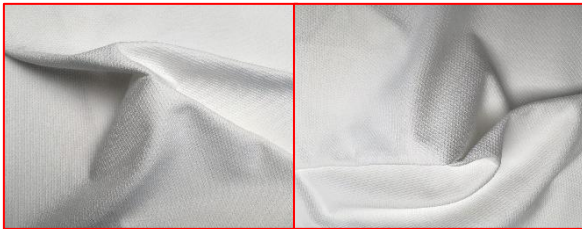


❖ **Piqué:**

- **Nº2525 PIQUÉ:** Pique embossing fabric in diamonds for children's and baby's fashion. Its composition is 55% polyester and 45% cotton and its average weight is 300 gr/m2.



- **Nº2719 PIQUÉ:** White optical pique printing fabric for baby clothes, beds and cots. Its composition is 100% cotton and its average weight is 230 gr/m2.



❖ **Flat stampings:**

- **Nº205 JALISCO:** Flat fabric for printing and dyeing. Its composition is 70% polyester and 30% cotton and its average weight is 85 gr/m2.



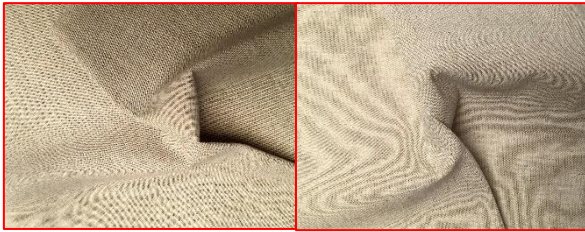
❖ **Sargas:**

- **Nº 298 SARGA:** Twill fabric for printing and striped dyeing. Its composition is 100% cotton and its average weight is 156 gr/m2.



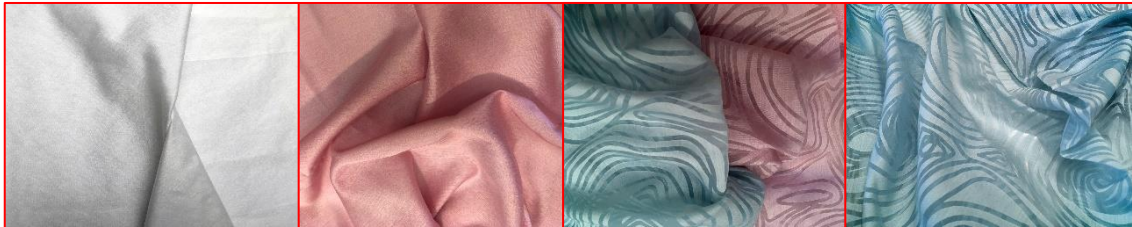
❖ **Rustic:**

- **Nº3104:** Rustic fabric made with 100% cotton and with an average weight of 200 gr/m2.



❖ **Devoré:**

- **Nº1234 DEVORÉ LINZ:** Burnout fabric based on viscose. Its composition is 60% viscose and 40% polyester and its average weight is 85 gr/m2.



❖ **Half Panama:**

- **Nº1561 PANAMA:** Panama fabric for decoration in a variety of colours composed of 100% cotton and with an average weight of 387 gr/m2.



- **Fabrics with dyed yarn:** INMATEX also has an extensive range of dyed yarns and fantasies that allow us to produce a wide variety of fabrics for curtains, upholstery, bedding or decoration in general.

❖ **Bedding:**

- **Rayas Vanico:** Striped fabric in different colour combinations for decoration and bedding. Its composition is 98% cotton, 1% polyester and 1% polyamide. Its average weight is 117 gr/m2.



❖ **Decoration:**

- **MADRAS:** Large checked fabric in different colour combinations for decoration.



❖ **Upholstery:**

- **600-126:** Matt glossy fabric in different colours combined with white background.



❖ **Sheers:**

- **700-115:**



Outdoor.

Fabrics designed to withstand the inclemency of the outdoors for parasols, awnings, decoration and exterior upholstery. The main materials used are acrylic, polyester and polypropylene, which achieve durability and resistance of colour and excellent fabric.

❖ Acrylic-Dralon:

- **BAHIA 606-3:** Acrylic-cathedral fabric ready for outdoor use. Its composition is 100% acrylic and its average weight is 230 gr/m².



- **PANAMERA:** Striped acrylic-cathedral fabric ready for outdoor use. Its composition is 100% acrylic and its average weight is 190 gr/m².



❖ Polyester:

- **128-2:** Polyester fabric in a variety of colours for the outdoors. Its composition is 100% polyester and its average weight is 226 gr/m².



Technical and Special Fabrics.

Fabrics for the hotel, health, agriculture, construction and home sectors. With fireproof and antibacterial properties, electrical and conductive insulators, anti-stress.

❖ Blackouts:

- **Blackouts:** Opaque, light-resistant fabric in a variety of colours. Its composition is 100% polyester with variable weight.



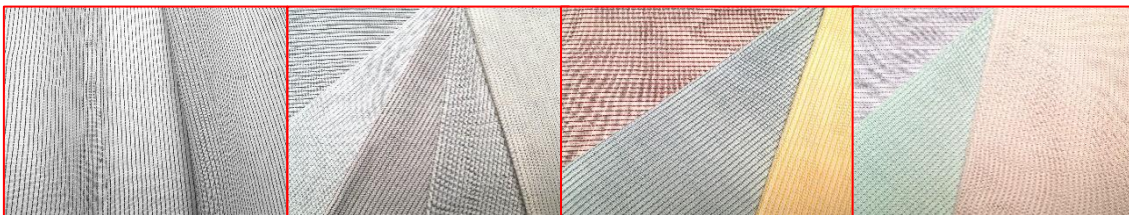
❖ Enrollable:

- **400-588G:** Striped roll-up fabric in different colours. Its composition is 100% polyester and its average weight is 72 gr/m².



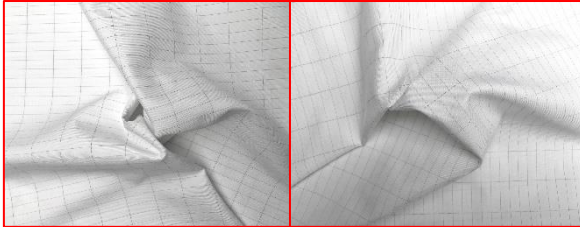
❖ Flame-retardant fabrics:

- **300-662:** Flame-retardant striped fabric for curtains. Its composition is 55% polyester and 45% cotton and its average weight is 110 gr/m².



❖ **Fabrics in copper, silver and carbon:**

- **CARBONO 300/200:** Conductive fabric in polyester and carbon. Its composition is 86% polyester, 13% copper and 1% carbon and its average weight is 189 gr/m².



- **Price.**

This variable is a very competitive element in the market and exerts an essential power over the consumer. In addition, the price is the only variable that generates income. By adjusting the price, the entire marketing strategy of the company is affected, as is the demand for the product (price elasticity of demand). At the same time, it is important to take into account the production costs and the psychological value offered by the product when establishing the selling price.

In the specific case of INMATEX, we find a company that cannot compete in costs with products imported from the Asian continent, so their way of behaving is somewhat different from companies in the same sector. The products offered do not have a specific price, but are adapted individually to the offer made to each client at a specific moment in time. The main factors affecting the price of the company's products are the cost of raw materials, labour and energy costs.

INMATEX has an annual consumption of about 13,000,000 kWh, at a cost of about 0.09€/kWh, or an approximate cost of 1,170,000€/year, therefore, the energy cost per day worked (about 345 days/year) is about 3,400€. Once the company has these base costs, it tries to negotiate the price with the buyers in order to obtain the highest possible profit margin. This method has its good points and its bad points, sometimes the company makes large profit margins with its products, such as the one obtained with a copper mat used in the production of mattresses or heated vehicle seats. However, on other occasions, in periods of high production the company has had to sell products below cost price because of the shortage of space, as is the case of sailcloth (a standard product produced by all similar companies).

Even so, the profit margin that INMATEX obtains as a wholesaler is very little compared to that of its clients in final sales. The margins that the company obtains in the sale of its

products are between 3 and 5% of the production cost while reseller profit margins are between 10 and 15%.

- **Distribution.**

This variable analyses the channels that a product goes through from its creation until it reaches the hands of the consumer. It also deals with phases such as storage, points of sale, the relationship with intermediaries and their power of negotiation. It is important for the entrepreneur to carry out exhaustive inventory management so that there are sufficient stocks. Normally the business model has a decisive influence on the distribution of the product.

In the case of INMATEX we find 2 types of distribution, one carried out by our own vehicles and one outsourced to external companies. Firstly, the packing and storage of the products is carried out in the company's facilities. Once an order has been agreed upon and is ready for distribution, the type of distribution is decided on the basis of the location of the order, i.e. whether the distribution will be carried out by the company or by the outsourced external company.

If the ordered material is not finished, i.e. it lacks printing, dyeing, softening or scouring, it is taken to a group of textile finishing companies. In these cases, if it is national, the products are usually finished in the Levante area and the transport is carried out on behalf of the company. Sometimes when this type of trip is made, the company takes advantage of the trip, collects raw materials such as thread, and transports it with the same vehicles back to the main headquarters again. This allows the company to save time and resources, making each trip as cost-effective as possible.

When the orders are from other countries such as France or Italy, the company looks for external transport agencies, to avoid making trips in vain, since when international orders are produced, INMATEX does not usually buy raw materials in these locations. In these cases, the company only pays for the one-way trip. In the case of orders for completely finished products (only 10% of total production), being small quantities and dispersed throughout the Spanish territory, deliveries are made through transport companies such as SEUR.

Finally, it should be noted that the unfinished product ceases to be INMATEX's responsibility and obligation once they are moved to the finishing areas. These companies which are in charge of stamping, dyeing or softening are the ones that are then in charge of transferring the finished products to the final customers. In addition, the

client decides which finishing company will be in charge of carrying out these last stages of the production process, so INMATEX is in charge of taking the products to the company the client selects.

- **Promotion.**

This variable manages how a company promotes the product in order to make it known to the public and thus increase sales. Some tools that facilitate this promotion are advertising, public relations or product localization. A large part of the promotion strategy includes analysing the return on investment (ROI).

In the case of INMATEX, we find a company that has preferred to direct its resources to higher-quality production, therefore its expenditure and investment in advertising is practically nil. The main communication channels are telephone, e-mail and fax. Through these traditional tools, the company communicates effectively with its clients. The way to promote the company is the presence in Internet and word-of-mouth. The many years of experience in the sector causes the companies which INMATEX works with to recommend their products and materials to other possible clients.

In addition, it has salespeople in the main areas of operations in Spain that promote its products. Potential customers contact the company via the website or by telephone and place their orders. Once they establish contact, customers send samples of products that they need INMATEX to produce and in this way, the company knows what to produce and the amount required.

On the other hand, visits are made in both directions; customers come to the company to see samples of its main products and, in other cases, José Miguel Marín, the manager specializing in sales visits potential customers to show them samples of the products. In addition, the company has three showrooms where customers can see samples of all its products. This "*Showroom*" with more than 10,000 references dedicated to the exhibition of their products serves as a meeting point between customers and the company, where both collaborate and can work together to adapt the latest trends to their needs. This showroom is in constant renovation and adapts to the most current fashions.

- **Corporate social responsibility.**

As we have explained earlier on this paper, commitment to the environment and the community are some of the fundamental pillars that have allowed INMATEX to grow and evolve in recent years.

Consequently, INMATEX has been acquiring different certificates that guarantee its compliance with the social, environmental, health and safety standards which add value to the Certified Fabrics that are destined for the markets. The certificates held by the company are as follows:



The **GOTS** (Global Organic Textile Standard) and **OCS** (Organic Content Standard) **Certificates** that verify and allow the production of 100% organic fabrics and organic fabrics mixed with other fibers.



The **GRS Certification** (Global Recycle Standard) which verifies and allows the manufacture of sustainable fabrics using recycled raw materials.



In addition, the **OEKO-TEX Standard 100** Certificate, which assures the consumer that textile products have been tested for and are free of substances harmful to health.

2.2 External analysis

2.2.1 Macroenvironment (PESTLE)

In order to be able to define INMATEX's strategic position, it is important to know the environment that surrounds it. To get to know this environment, we will carry out a PESTEL analysis in order to get to know the scenario where this company operates. In

this section, we will learn about political, economic, socio-cultural, technological, ecological and legal factors that influence INMATEX's decision-making and affect its present and future development.

2.2.1.1 Political factors

On the one hand, as mentioned above, INMATEX is located in Spain. Spain is a monarchic and constitutional kingdom based on a parliamentary democracy. Power is highly decentralised and the autonomous communities have a high level of legislative, executive and fiscal autonomy. In addition, all political parties have governed with little transparency and all of them have been involved in cases of corruption and political fraud.

On the other hand, Spain currently has the largest public deficit in Europe in terms of percentage of GDP. This percentage has been reduced in recent years. However, this implies that the government has to continue to apply cutbacks in order to continue reducing that debt.

Finally, some positives aspects: Spain belongs to the European Union and this implies that to a greater or lesser extent Spain is influenced by European regulations that influence the development of Spanish companies. The main European industrial policies aim to promote a future for people, revitalize the regions that make up the Union and prepare companies for the future through the support and promotion of technology. These changes can positively affect the future development of the company. One of the advantages of belonging to the European Union is that it allows INMATEX to trade with European companies without having to pay customs duties or costs.

2.2.1.2 Economic factors

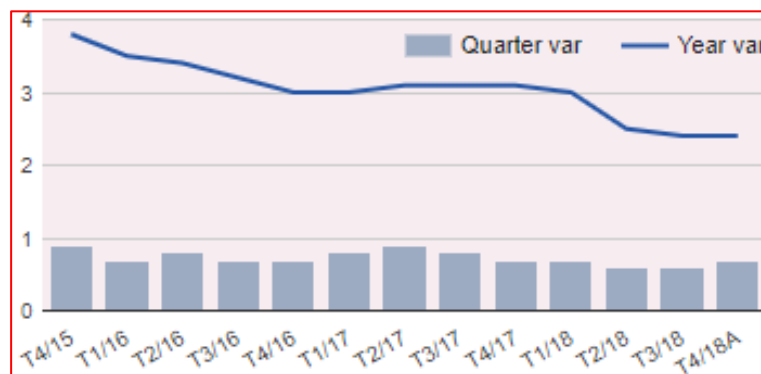
Spain's economic situation is not the most favourable for the development of existing businesses, and nor is it an aid for the creation of new businesses. Spain is emerging from the economic crisis of 2008 and the economic situations it has generated have affected society. The population has seen how its purchasing power has decreased considerably, the economic gap between rich and poor has widened and the measures applied by the government to try to improve the situation have not been well received by the population. The economic levels do not reach the stability that the country had before the crisis but the economic improvement compared to the beginning of the crisis is

evident. To examine the economic factors we will look at the evolution in Spain in recent years of the following indicators: GDP, interest rate, IPRI and unemployment rate.

- **GDP: Gross domestic product.**

As we can see in *graph 1*, during the last 3 years, the Spanish GDP has suffered a decrease, but it continues in positive numbers in reference to the crisis period of 2010 where it reached a negative peak of almost 4%. The last data offered by the INE indicates that the growth during the last quarter of 2018 experienced by the GDP was of 2.4%.

Graph 1. Quarter-on-quarter GDP Spain



Source: INE. January 2019

These data indicate that the country's economy continues to grow but that the rate of growth has decreased during 2018. As we can see in *table 1*, based on data from 2017 the current debt is practically the amount of GDP that Spain generates annually (98.10%).

Table 1. GDP Rates

Country	Population	Annual GDP	Total Debt (M.€)	Debt (%GDP)	Deficit (%GDP)
Spain	46733038	1,206,878M.€	1,144,425	98.10%	-3.08%
Portugal	10291027	194,614M.€	242,805	124.80%	-3.00%
Romania	19523621	187,517M.€	64,647	35.10%	-2.90%
France	67221943	2,291,705M.€	2,257,765	98.50%	-2.60%
Italy	60483973	1,724,995M.€	2,263,479	131.20%	-2.40%

Source: own elaboration. Data: Website Datosmacro

In addition, (*table 1*) Spain is the country with the highest public deficit as a percentage of GDP (-3.08%) of the European Union and has a public debt equivalent to 98.10% of its GDP (1,144,425 million euros). These data have improved since 2015 (4.8% of GDP) but the government must continue to apply social cutbacks in order to continue reducing the deficit.

- **Interest rates.**

Graph 2 below produced by the Rankia website shows the annual evolution of interest rates until 2017. Interest rates continue to fall from 2011 reaching a peak of -0.158%. Spanish companies have better access to loans as their refund is cheaper and makes companies embark on projects taking less risk than in previous years.

Graph 2. Annual evolution of interest rates

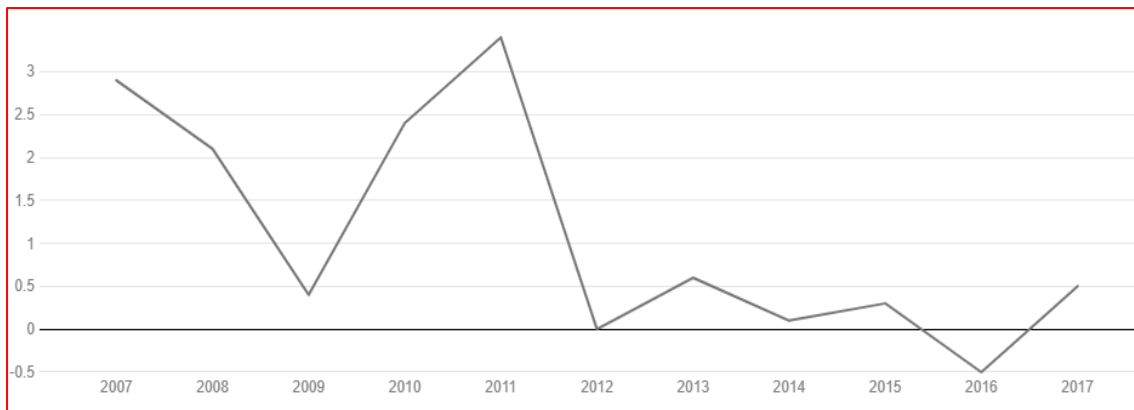


Source: Website Rankia

- **IPRI: Industrial Price Index**

The IPRI is an economic indicator that allows us to know the evolution of the prices of industrial products. In this case, we will focus on the price index referring to the textile industry because it is the market in which INMATEX operates. As we can see in graph 3, the price index of textile products was growing at the end of 2016.

Graph 3. Year-on-year evolution of the Industrial Textile Price Index



Source: INE. Website Modaes

Based on INE data, this percentage industrial growth indicator remained stable during 2017, finishing the year with a value of 0.4. During the year 2018, the index experienced variations and closed the year with a value of 0.2. However, the general growth index of the textile industry (textiles, clothing and leather and footwear) has grown by a total of 5.2. Therefore, we consider that inflation levels are taking hold in the textile industry.

- **Unemployment rate**

It has been difficult to recover pre-crisis levels of unemployment. The unemployment level today is 14.6% (*graph 4*) of the population and as we can see in graph X the unemployment rate has decreased by approximately 2 million people in just 1 year (from 16.74 to 14.45 million people).

Graph 4. Evolution of Unemployment. Period from 2016 to 2018



Source: INE. Website Tradingeconomics

With regard to the distribution of employment by sex, based on INE data we find that women have a higher rate compared to men (16.26 and 12.87 respectively). Unemployment remains high and the government should still work to reduce this amount.

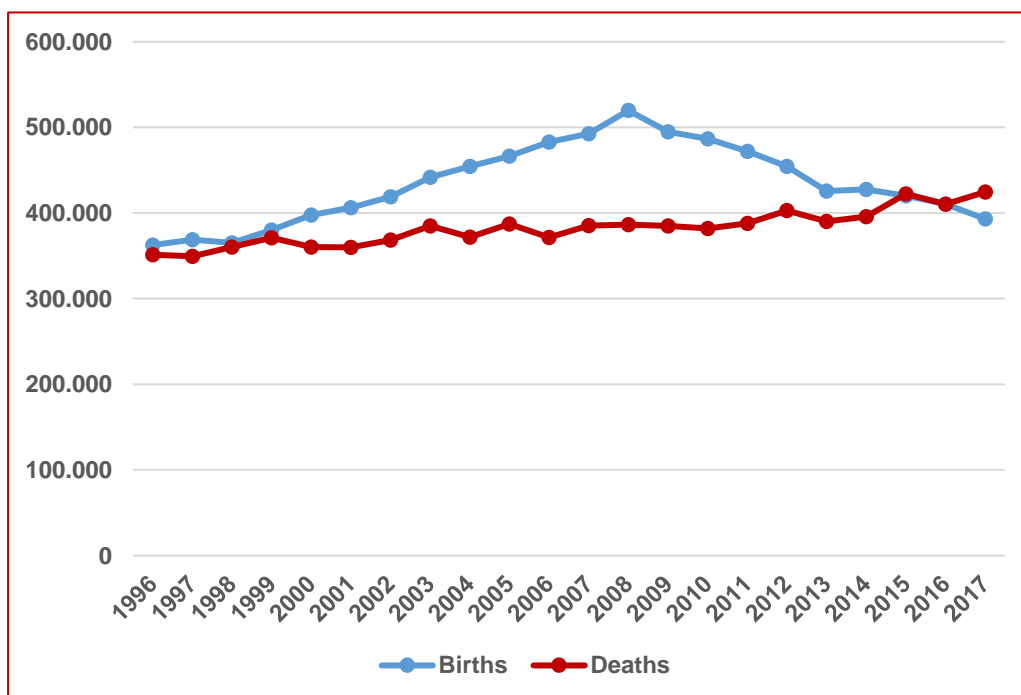
2.2.1.3 Sociocultural factors

With regard to the socio-cultural factors, which affect the development of the textile industry, we are going to analyse demographic trends, lifestyle, life expectancy and age distribution in Spain.

- **Demographic trends and Age distribution**

As can be seen in *graph 5*, the number of births has continued to fall since the 2008 crisis and has reached its lowest level in recent years. Based on the information provided by the INE in the first half of 2018, we know that the number is not improving and is even tending to get worse. On the other hand, mortality continues to grow and the percentage reaches 9.07% (9.07 people die per thousand inhabitants). In addition, Spain has reached the point where mortality is higher than the birth rate, a situation that had not happened since the beginning of 1997.

Graph 5. Evolution of natality and mortality in Spain. Period from 1996 to 2017

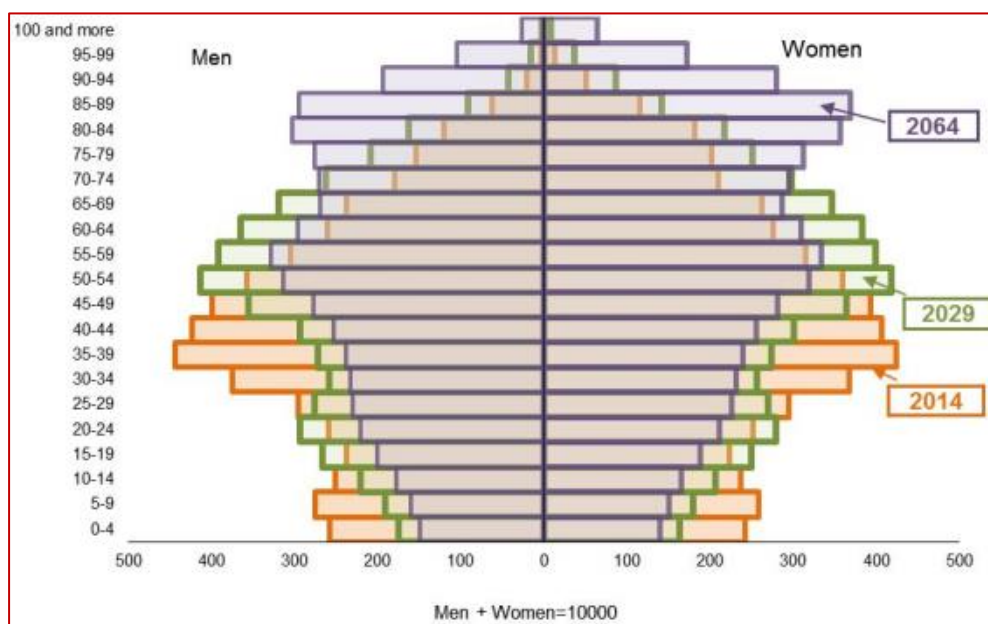


Source: own elaboration. Data: Website Datosmacro

These trends mean that the predictions of the population of Spain for the future that we see in graph X below tend to demographic stagnation and an ageing of the population. This will eventually lead to a decrease in the population resident in the country.

In terms of age distribution by men and women (*graph 6*), we observe that the distribution is practically symmetrical and that the largest part of the population is concentrated between the ages of 30 and 55. We find that the original form of the pyramid starts to distort and we see that it tends to flatten because of the increase of older people. At the same time, from the age of 70 the number of women is higher. The predictions for the year 2029 is to find a population similar to the current one but where population between 0 and 15 years and between 30 and 50 decreases. Consequently, the population between 50 and 100 will increase considerably. Finally, the predictions for the year 2064 is a reverse population pyramid, where the elderly (between 65 and 100 years of age) outnumber youth and middle age.

Graph 6. Population pyramid of Spain



Source: INE

In conclusion, these modifications are caused by the change in the trend of the household, that is, after the economic crisis family difficulties have led to a drop in the birth rate and have led to the trend of single-person households.

- **Lifestyle and Life expectancy**

These changes in demographic trends have also influenced the lifestyle of the population and consequently, their life expectancy. At the same time, other factors have appeared that have modified lifestyles; Changes such as technological advances, the improvement of social rights (importance of women, divorces, acceptance of homosexuality...), the improvement in education and the improvement of the quality of life.

The high speed of technological advances has provided us with better communications with tools such as internet that with the help of Smartphones (an indispensable tool nowadays) allow us to access any information from anywhere. This has helped to modernize businesses and improve health research. These changes have made women live an average of 87.6 years and men 83.3 years.

In addition, as can be seen in *graph 7*, this increase in people's life expectancy have made Spain, by 2015, the country with the highest life expectancy in the European Union, which reinforces the information previously raised in the possible population pyramids of the years 2029 and 2064.

Graph 7. Life expectancy in Europe in 2015



Source: Eurostat. Website Statista

2.2.1.4 Technological factors

As we have mentioned, changes and improvements in technology have allowed life expectancy to improve, but this is not its only advantage. This technological evolution has also affected productivity, competitiveness and the performance of companies. This era of technological boom has forced existing companies to adapt to not become obsolete. These changes have led to an improvement in quality, greater efficiency, and an improvement in the processing and management of information and an increase in the speed of communication.

Some of the most remarkable improvements that have happened in recent years thanks to technology are:

- **Interaction without geographical barriers.** The Internet has reached practically every part of the world and this makes it possible to share information instantaneously regarding events that are happening at the other end of the planet.
- **Ecological awareness.** The majority of companies have stopped using paper. There has been a complete replacement of the format of reports and records (now digital).
- **Emergence of a culture adapted to new technologies.** The use of technology is already a habit in people and virtually anyone of working age knows how to use or uses some daily.
- **Growing technology market.** Sale of Smartphones, computers and accessories that adapt to each type of customer at a competitive price.
- **Information and Communication Technologies (ICT).** Automation of tasks, improvement of the quality of services, monitoring of orders and deliveries and immediate feedback.
- **Development of skills and self-paced learning.** People can learn and study at the pace that suits them, as there are countless courses on the network and can learn to distinguish valuable information versus disposable information on the network.
- **Customer Relationship Management.** Management of customer data that allows the company to know the tastes of customers, and therefore produce and offer products adapted to their needs and interests.

2.2.1.5 Ecological factors

In recent decades, environmental policies have become more restrictive as a result of global environmental problems. This has led companies to have to consider the environmental cost as one more within the activities that the company develops and that affects the marketing of products and that society contributes to pay. At the same time, it is very difficult to be exempt from compliance with regulations related to the environment.

On a more general level, Spain is one of the 15 countries with the highest environmental performances in terms of policies (12th according to the EPI - Environmental Performance Index in 2018). Based on these data we know that Spain has little polluted water, breathable air in large cities and one of the largest forest areas in the European Union (27.7 million hectares of which 11 million are protected areas).

2.2.1.6 Legal factors

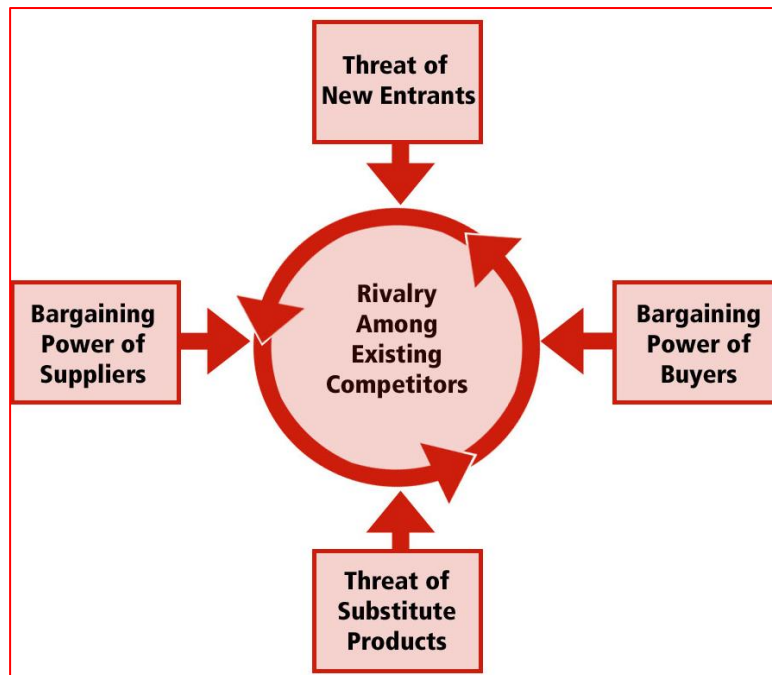
The Spanish legal framework has exposure to legal risks suffered by companies related to the industrial property of third parties (designs, trademarks, counterfeits, parallel imports...).

As regards the tax framework, in Spain there is a tax on company profits of 30% for large companies and 25% for small and medium-sized companies. In the case of VAT, after the increase in general VAT in 2012 from 18 to 21%, all products traded by INMATEX are subject to a valued-added tax of 21%. On the other hand, in the amendment of Law 6/2018 the percentage of personal income tax deductions has increased affecting deductions applicable in cases of maternity, large family or disability among other aspects.

2.2.2 Microenvironment (specific analysis)

Now that we know the environment surrounding the textile industry, it is time for a more specific analysis of the textile sector. To carry out the analysis we will use the analysis of the five forces of Michael Porter that we observe in the following figure (*figure 2*) to determine the intensity of competition and rivalry of the industry in order to know if the industry is sufficiently attractive in relation to investment opportunities and profitability.

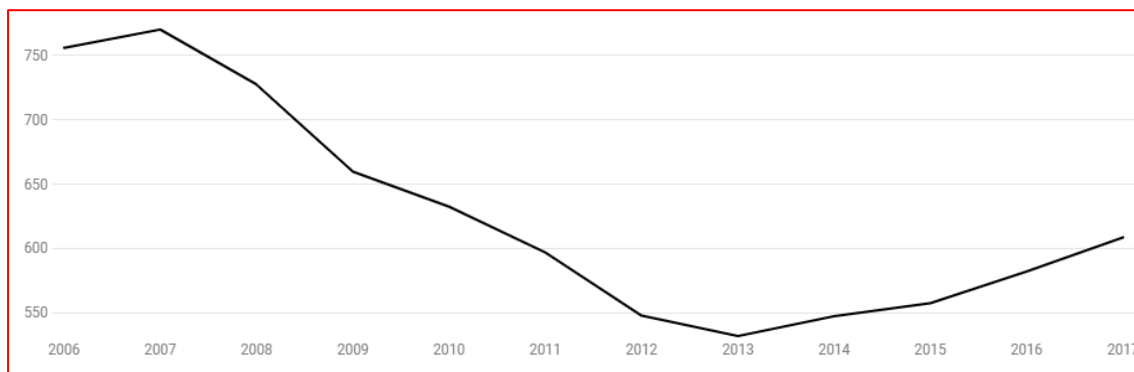
Figure 2. The Five Forces That Shape Industry Competition. Porter 1979



Source: Michael Porter. 1979. Website Sasb.org

Based on the 2017 data provided by the INE we can observe that employment in the textile industry has risen by 7%, and it is close to the numbers of 2010, and counts with 177,800 employees as per 2017 data.

Graph 8. Evolution of average fashion expenditure per person in Spain



Source: INE. Website Modaes

In addition, as we can see in *graph 8*, spending on fashion per person grew by 4.53% and again reached 600 euros, something that had not happened since 2010. These positive data indicate the revitalization of the industry.

2.2.2.1 Threat of new entrants

Despite the good results of recent years, the 2008 crisis hit the Spanish economy very hard and the resulting environment caused a drop in demand and a large reduction in profit margins, making the industry less attractive and profitable, which suggests that the industry is, a priori, in a situation of lesser threat with respect to the entry of new competitors.

On the other hand, the arrival of new competitors is also conditioned by the existence or absence of entry barriers. In the case of the textile industry in Spain, we find the following:

- **Economies of scale.** Companies that want to enter this market will have to do so with a large investment and will surely have to face a violent response from existing companies. Another variable related to entry barriers is the experience effect, which allows the reduction of costs. Companies already consolidated in the sector have a high volume of accumulated products that allow them to reduce the average cost of their production.
- **Distribution channels.** Distribution channels are limited and are already negotiated by existing companies. This can be a hindrance to new companies wanting to enter the business, as it can be difficult for them to find a niche in the trade. In the event that they want to compete using their own distribution, a large amount of capital, well-located establishments and a high and dynamic product offer are all required.
- **Differentiation in products.** As we will explain in the following section, the differentiation between the products referring to the designs is not very high, since in general they are products with a standard design and quality. This causes the rivalry to increase. In terms of differentiation by brand loyalty, brands based in the sector have a loyal clientele that is accustomed to their products, which complicates the attraction of potential competitors.
- **Exit barriers.** Another factor to take into account is to know the business world you want to enter and know if you will be able to leave it once you are inside. Exit barriers are important because the strategic interrelations that are created will condition a loss of image and a high cost of resources.

2.2.2.2 Substitutive products

As we have mentioned, the textile industry has a large number of companies that generate competition. However, if we refer to the product itself, even if competition is so high the threat of substitutes is negligible as there is no other type of product to cover the need to wear.

Problems arise with the proliferation of counterfeit brands or imitation products that are difficult to monitor and control. Therefore, what we can find are replacement brands because due to the characteristics of the products these are easily imitated. Textile products are characterised by a short life cycle, an evolution aimed at improving the quality/price ratio and a production of products with high sales margins.

After the outsourcing of production from low-cost countries, brands are forced to compete more aggressively, improving the quality/price ratio of their products. This is usually done by offering a wide range of possibilities when buying and adapting to fashion trends. The advantage is that if the company has a strong and well-known brand the company can reach high profit margins on their products.

2.2.2.3 Bargaining power of customers

Consumers may have great bargaining power if they can be highly concentrated, associated in large groups, or when purchasing significant quantities of products or services offered by the company. In the case of the textile sector, the number of clients is very high, but they are not organised to defend their interests. In this sector customers make purchases individually and rarely group together.

An important fact is that in the distribution process, INMATEX's clients are companies and, therefore, they may be able to integrate backwards if they have the capital and cannot find suppliers that adapt to their needs. It is also possible that they only turn to companies such as INMATEX for specific phases such as tailoring. On the other hand, if those customers buy in large enough quantities to justify producing their own products they can reach agreements that satisfy both parties and modify the suppliers' base offers.

In the case of the final client, as there is no risk of integration backwards, their purchase is individual and in small quantities, their bargaining power is scarce. In turn, the risk of collection is non-existent because the vast majority of sales are made in cash. However, as the offer is high, the customer can change the purchase establishment without changing costs.

2.2.2.4 Bargaining power of suppliers

The bargaining power of suppliers depends on the characteristics of the sector. The number of suppliers, their importance in the value chain or their degree of concentration are taken into account. In this particular sector, the textile industry is characterised by a large number of suppliers, which causes the customer to put pressure on and impose favourable conditions on their interests.

For this reason, as we have mentioned in the power of consumers, those large companies or production chains that are vertically integrated and a large part of whose production process is carried out in their factories or through subcontracting for some specific phases of the process exert pressure on the sector and cause suppliers to have little bargaining power.

2.2.2.5 Rivalry between competitors

At present the textile sector is highly exploited, there are a large number of competitors, as well as a high balance between these competitors. The growth of the sector is slow and the slowdown in consumption has caused this rivalry to increase as well. In this context, companies are forced to fight to steal market share from their competitors rather than to attract new customers.

Another factor affecting rivalry is that storage costs are quite low as the products stored are not perishable. In turn, we find a sector where the degree of diversification is non-existent because the purchase decision of customers is based on price and brand. Other key points are the high costs of manufacturing and raw materials in the domestic market.

2.2.3 Competitive Analysis

2.2.3.1 Main competitors

When a company competes it tries to satisfy the needs of its customers, but many times this is not enough. In addition to meeting the needs, companies have to do better than their competitors in order for customers to choose them. In the textile industry, we find hundreds of companies that can compete in the sector that operates INMATEX.

In summary, INMATEX's main competitors are those companies that compete in the form of a product. In short and without entering into names, the main competitors in Spain are other manufacturers of fabrics with similar attributes and these are generally located in

the lands of Levante, where they take advantage of the proximity to the finishers. Sometimes they even take advantage of this opportunity to carry out downward vertical integration and thus incorporate this last stage of production within the company. On the other hand, we find brokers or companies that import fabrics from Asia or Turkey and then distribute their products among the company's clients. As for the international companies, the weavers from Pakistan, India, Turkey and China and the European brokers who import the Asian containers and distribute them throughout Europe in small quantities.

2.3 Market Analysis

2.3.1 Sector Analysis

As we mentioned earlier in the analysis of the microenvironment, employment in the textile sector has grown and is approaching pre-crisis levels. At the same time, family spending on clothing has also increased, so expectations for the future are positive. Before analysing where the sector stands, it is important to know the keys that will mark the near future of the industry.

- **Future keys to the textile sector**

Based on a study conducted by EAE Business School. (2019), we find the following keys in the future of the textile sector:

The first point to deal with is the **planned obsolescence**; in the textile sector, we find an excellent management of obsolescence, managing trends is a solid foundation that is constantly launching fashion that makes the existing fashion obsolete. However, companies in the industry can still get more out of this concept if they take advantage of the technology. If companies **use an attractive and coordinated management of trends** in social networks they will find a powerful tool that allows them to launch new fashions more easily, showing their novelties in the market.

Another key point is that **brands are Western but production is Eastern**. This means that great fashion figures such as Armani, Gucci, Calvin Klein or Carolina Herrera are the reflection of the Western way of life that has been imposed all over the world. Fashion is an obligation for every visitor who arrives in Europe, but world production has moved its location to Asia. The conglomerate of emerging countries backed by China, the new world leader, has made the textile sector one of its engines of progress.

Countries such as Bangladesh or Pakistan that manufacture 24 hours a day are operating under a simple scheme:

- Mass production of fabrics with cheap and unskilled labour.
- Agreements with major Western brands for the development of production at lower cost.
- Creation of local brands that will compete in the future for price in the West through local distributors.
- Creation of own luxury brands with local distribution in the West where part of the property is owned.

China aspires to control the entire value chain of its products with a global and coordinated action of trade and economy.

However, there is a major challenge associated with the textile sector that affects the entire world and that is **the footprint that the sector leaves on the environment** because of its enormous production. Most of the fabrics produced are recyclable and in order to face this problem, it is necessary to have a demanding global legislation regarding the types of fabrics that the industry should use and the establishment of demanding recycling dynamics.

Another key point is **brand polarisation**, as consumers have begun to coexist with expensive brands for special occasions and cheap brands for everyday use. This has led to the disappearance of intermediate brands that promise quality at the best price. This means that companies have to focus their offer on one of two extremes. Even some brands have been forced to create secondary brands that allow them to expand their audience downwards.

The next key point is **operational efficiency and logistics** as the key to success. Replicas require less and less time to appear in the market, so speed is directly proportional to the ability to take the pulse of customers and opinion leaders and implement their tastes and ideas. Zara is the model to follow for the whole sector. The agility with which it responds to the demands of its customers is incomparable. The "*just in time*" technique and its use of logistics as a secret weapon is enviable and is imitated all over the world. It is enough to point out that fashion, in the future, will be what each client asks for.

This point leads us to the next point, **customer orientation**. Thanks to BIG DATA, any company is able to respond to the tastes of its public and can even proactively anticipate

them. This knowledge of the customers will be the key to the future market and will divide the companies between those who face the needs of the customers and the rest, who will survive with luck as suppliers of the former. Large companies such as Amazon will soon create their own textile brands thanks to this tool.

The last two key points are **online sales and smart clothing**. Online sales allow customers to see an infinite number of models, models that will surely be at home in 24 hours. The big fashion brands sell in greater quantity thanks to e-commerce surpassing the sales in physical points. As for intelligent clothing, we find clothing with devices that record data and serve as a complementary tool. They can emit thermal alarm signals or change their appearance if our physical activity increases. The development of this technology is looming as a threat to the conventional textile industry, we are going to deal with an exciting future.

- **Europe and Spain**

Based on the same study conducted by EAE Business School. (2019), in the general European scene, we find an Italy that maintains its leadership with solidity ahead of the rest of countries. In 2017, they sold around 26.6 million euros, almost twice as much as Spain. On the other hand, Germany showed to have the most dynamic economy in the foreign market, increasing its exports by 16% and invoicing 22.8 million euros during that period. Spain, on the other hand, manages to consolidate itself as the third largest exporter in the European Union. Its sales reached 14.3 million euros in 2017, achieving an annual increase of 10%.

After hitting the bottom in 2012, Spain's recovery was slow, growing gradually until in 2017 it reached and surpassed the distant figures of historic highs of 2009. This smooth growth is being maintained and consolidated as mentioned above and this is due to the emergence of new companies that are more dynamic and better adapted to the use of technology, making their way into national and international markets. However, with the emergence of online sales, companies must evolve and transform the point of sale to turn the experience into an ally that allows them to combat it.

Following the line of companies that make up this new industrial paradigm, we find the powerful Inditex group, which has revolutionised various areas such as production, logistics, marketing and online sales. In addition, it has contributed to turning "low cost" fashion into a different scenario, "*accessible luxury*" clothing for everyone. Other important groups such as Tendam are reinventing themselves and applying new

strategic models based on the use of technology. The battle for quality is practically won by Spanish companies, but now the challenge to face is that of efficiency. As we have mentioned, it is impossible to compete with emerging countries in costs, economies of scale and potential markets within them. As for companies with future projection, young people stand out on the Internet brands such as *Bohodot*, *Sophie and Lucie*, *Masscob*, *Small Affaire* or *Hummingbird*.

Table 2. Expenditure on clothing by Autonomous Community (in millions of dollars)

Autonomous Community	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Andalucía	7.739	7.217	7.295	5.812	5.615	6.099	5.088	5.478	5.816	6.411
Aragón	1.092	1.039	1.171	978	988	933	785	849	900	990
Canarias	1.825	2.115	1.886	1.374	1.548	1.724	1.476	1.616	1.725	1.910
Cantabria	647	627	600	523	452	510	420	448	476	525
Castilla la Mancha	1.694	1.578	1.645	1.298	1.332	1.341	1.134	1.132	1.203	1.327
Castilla y León	2.157	1.991	2.125	1.842	1.729	1.749	1.501	1.632	1.726	1.896
Cataluña	7.089	6.954	7.035	5.921	6.471	6.673	5.785	5.703	6.056	6.680
Ceuta y Melilla	170	160	147	132	151	146	106	109	116	128
Comunidad de Madrid	5.476	5.450	5.304	4.971	4.444	4.967	3.959	4.294	4.568	5.044
Navarra	640	606	563	490	518	506	447	472	501	554
Comunidad Valenciana	4.247	4.158	4.149	3.702	3.858	3.691	3.289	3.268	3.478	3.842
Extremadura	900	925	798	714	702	724	597	638	674	740
Galicia	2.698	2.522	2.526	2.249	2.090	2.045	1.897	1.895	2.004	2.202
Islas Baleares	1.103	1.154	1.307	1.012	1.187	1.284	1.103	1.204	1.286	1.425
La Rioja	279	282	284	220	206	224	226	207	220	243
Murcia	1.176	992	1.026	1.098	1.075	1.000	866	1.043	1.111	1.228
País Vasco	1.983	2.099	1.971	1.662	1.808	1.754	1.425	1.403	1.485	1.633
Principado de Asturias	1.043	966	1.079	783	767	753	719	759	803	882
Total	41.958	40.835	40.911	34.781	34.941	36.123	30.823	32.150	34.148	37.660

Source: own elaboration. Data: Euromonitor

Within the Autonomous Communities as a whole (*table 2*), Cataluña continues to lead in household spending, although its political uncertainty is causing some companies to consider relocating. Only the Balearic Islands exceed household spending. In the case of the Community of Madrid, we find the area with the best-paid jobs in the textile sector. In terms of total expenditure on clothing, the sum of Cataluña, Andalucía, Madrid and Valencia account for 60% of total expenditure in Spain. The trend is for this scenario to be maintained, however, the gap between the other areas has been narrowing and differences in the future are expected to be determined only by the volume of population.

2.3.2 Customer Analysis

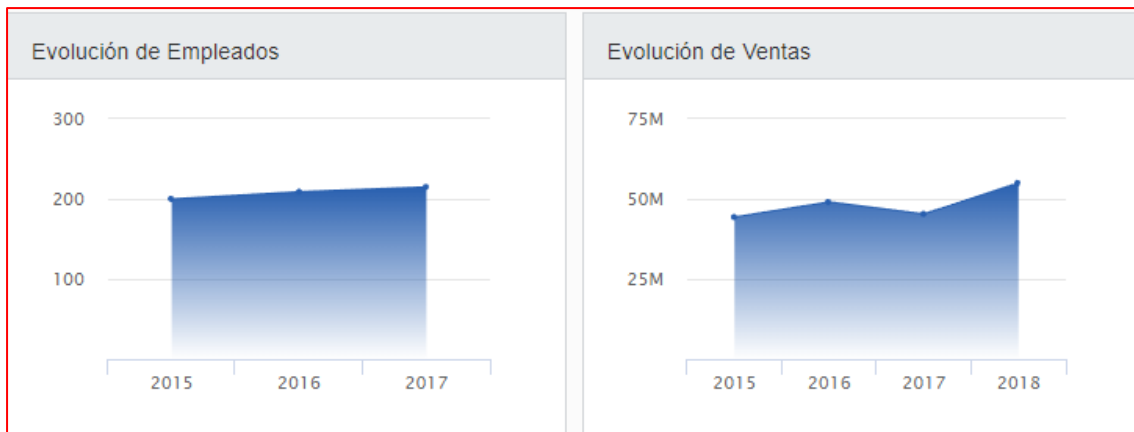
As we have mentioned INMATEX is a company that operates with other companies (B2B), so its customers are other companies. As we have explained in the analysis of the sector, the expenditure of families in fashion, footwear and textile products have increased in recent years, for that reason the companies that trade with these products must increase their production and their variety of products to be able to satisfy the needs of the final client. Suppliers can produce for stock or they can produce to order (just in time). This means that companies need more raw materials and fabrics to be able to produce this demand that comes from final customers.

The relationship between the supplier and the customer generally develops in the following way:

- 1) The client company contacts the supplier company after researching it and establishing a certain interest in it.
- 2) The customer company sends a sample to the supplier company.
- 3) The supplier company analyses the fabric in question and determines whether it can be produced (it analyses whether it has the necessary machine, whether it is profitable to buy the type of thread necessary to carry out the production or whether it can satisfy the order within the deadlines).
 - If the company operates through stock and has the product requested by the client company, we would jump to point 7.
- 4) If the product can be produced, the supplier is responsible for purchasing the necessary warp and weft threads.
- 5) Program and produce the production.
- 6) If a finish is necessary, it is delivered to the finisher indicated by the customer or it is finished if the company has the necessary means (printing or dyeing process).
- 7) The product is delivered to the destination determined by the client company.

Currently, as we have briefly explained in the pestle analysis and in the sector analysis, the client companies are growing at a good pace. Clear examples of the growth of these companies (*Graph 9*) are some INMATEX clients such as Tex Athenea S.L or Gonzalo Ferri S.A, companies that have increased their number of employees and their amount of sales in recent years. On the other hand, large groups of companies such as Inditex or El Corte Inglés, direct clients of INMATEX or its own clients, are going through a similar evolution.

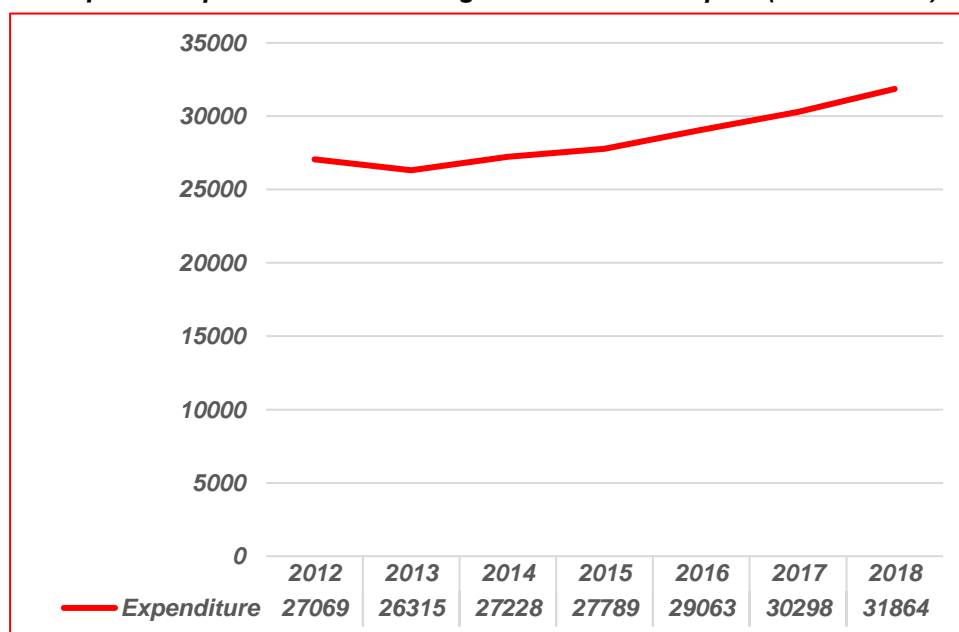
Graph 9. Evolution of employees and sales of TEX ATHENEA S.L.



Source: Eleconomista

However, we cannot ignore the final customers in the analysis of the consumers, since, after all, they are the ones who are going to consume the products that are produced with the fabrics supplied by companies such as INMATEX. In reference to these final customers, we find that the final consumers are mostly couples with children, as the age of emancipation is currently well over 27 years, and the significant increase in divorces has made Spain one of the countries in the world with more single-parent homes. In addition, as we have explained in the PESTLE analysis, the low birth rate is another factor that influences the low household expenditure. All of this means that households have a somewhat different meaning from the traditional one. Focusing on expenditure per individual, we conclude that the following figures in *graph 10* clearly show the information presented:

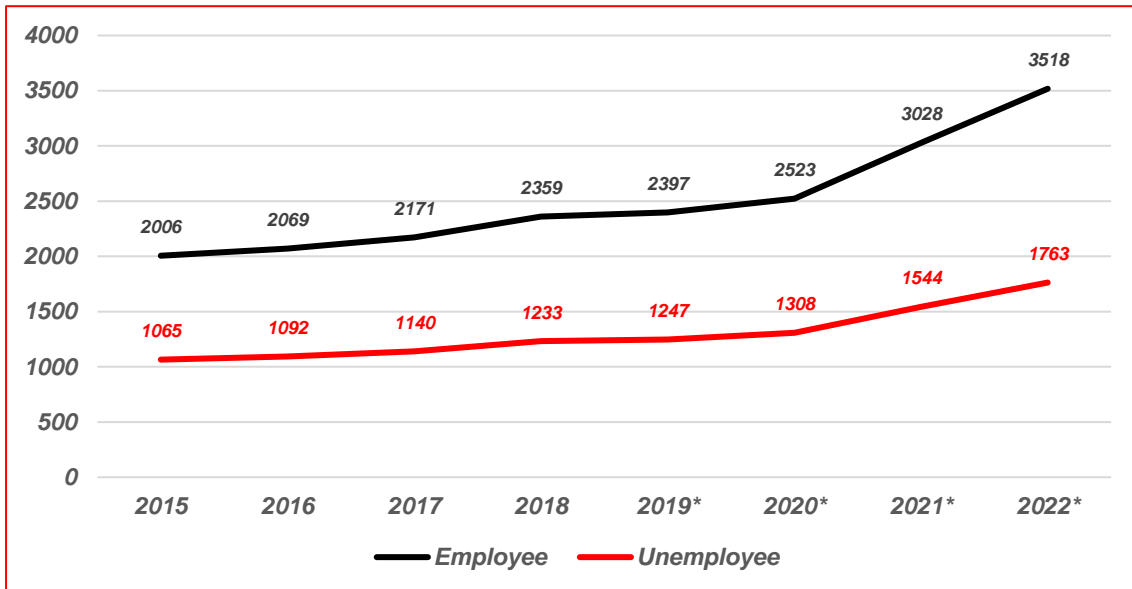
Graph 10. Expenditure on clothing and footwear in Spain (millions of €)



Source: own elaboration. Data: Spanish fashion observatory

In addition, as we observe in the following graph (*graph 11*), the forecasts for the next few years are positive, as family spending is expected to increase in both employed and unemployed households.

Graph 11. Expenditure per household on clothing and footwear by labour situation of the family (€)



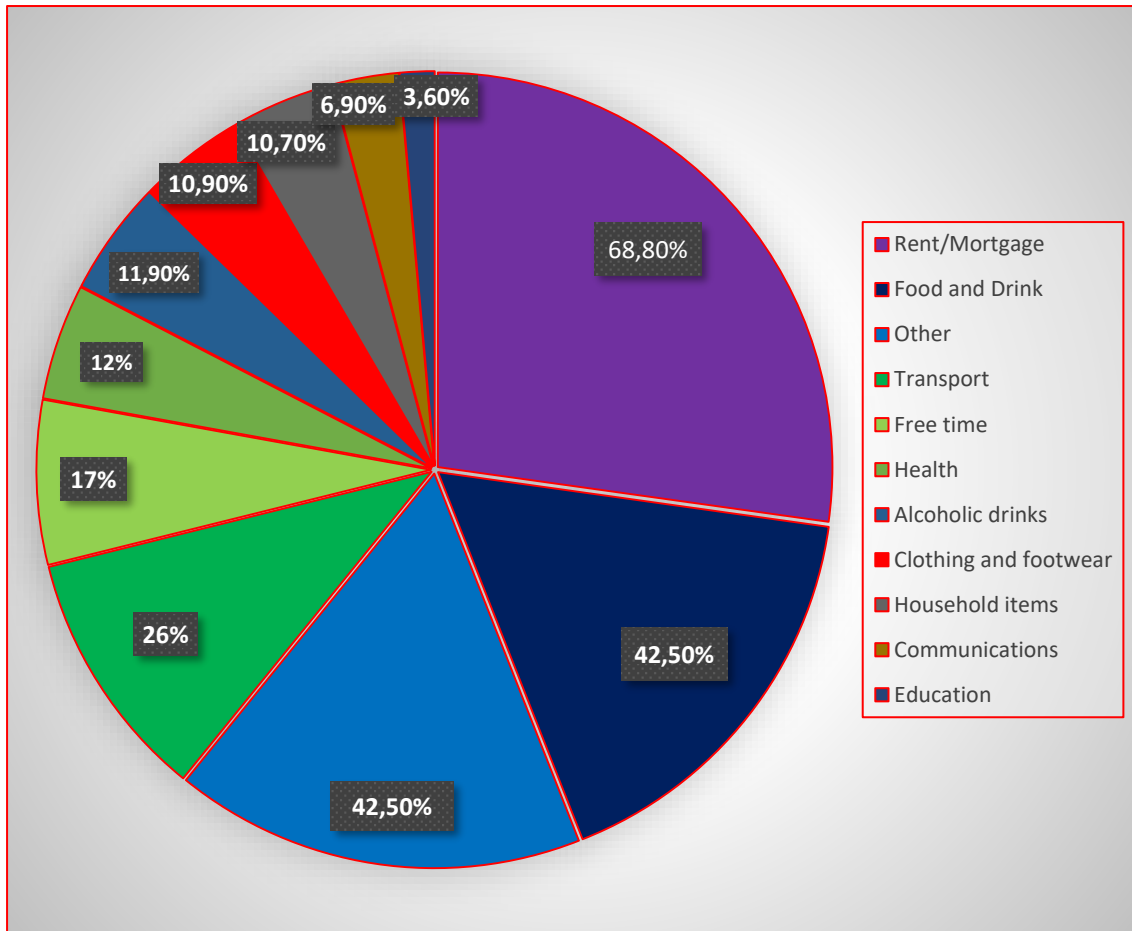
Source: own elaboration. Data: Euromonitor

As for the route taken by customers in textile products, after a study carried out by *Tindeo.com* in 2017, we know that end users travel an average of six kilometres to reach the store after consulting a digital catalogue. This means that, on average, Spaniards travel a greater distance when they want to buy in sports and fashion stores, which explains why Spaniards come to these establishments when they visit a shopping centre or a specific area of concentration of trade. On the other hand, in supermarket purchases, customers travel less and barely reach four kilometres.

As for when these purchases are made and with what frequency, the results of the study indicate that Saturday is the preferred day for Spaniards to make their purchases, concentrating visits to points of sale in two periods of the day, between 11:00h and 12:00h and between 18:00h and 19:00h. In terms of the frequency of purchase, Spaniards go 1.5 times a month to traditional stores once they have observed the digital catalogues.

As for the priorities of consumers when deciding on what to spend their basket of money (*figure 3*), clothing is not one of the main priorities, the mortgage is the key "expense" in most of the population. Only food and transport come close and overshadow it.

Figure 3. Middle class spending in Spain in 2018



Source: own elaboration. Data: Euromonitor

3 SWOT ANALYSIS

Table 3. SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • <i>Variety of products</i> • <i>Large stocks</i> • <i>Segmented offer</i> • <i>Social and environmental responsibility</i> • <i>Experience and tradition</i> • <i>Own storage facilities</i> • <i>Family atmosphere and teamwork</i> • <i>Strong financial system</i> • <i>Unconventional advertising</i> 	<ul style="list-style-type: none"> • <i>Market saturation</i> • <i>Low promotional expenses</i> • <i>Centralized distribution in Spain</i> • <i>Traditional communication system</i>
Opportunities	Threats
<ul style="list-style-type: none"> • <i>Economic growth in Spain</i> • <i>Global growth through online sales</i> • <i>Large-scale consumption of textiles</i> • <i>Ageing of the population</i> • <i>Growing interest in personal image</i> • <i>Continuous technological advances</i> • <i>New brands growing in the sector</i> 	<ul style="list-style-type: none"> • <i>Increased competition in the sector</i> • <i>Demanding customers</i> • <i>Creation of online stores</i> • <i>Limitation of purchasing powers</i> • <i>Political uncertainty</i> • <i>Existence of different laws in different markets</i>

Source: Own Elaboration

Strengths.

- **Variety of products:** Having more than 10000 references and creating new ones when customers need them allows INMATEX to satisfy the needs of its customers with the highest quality.

- **Large Stocks:** As we have mentioned, INMATEX works by means of a system of stocks and specific productions under order. Having large stocks allows you to deal with sudden orders and quickly satisfy customer needs.
- **Segmented offer:** Having such a varied and segmented production (fashion, home, technical fabrics) allows INMATEX to satisfy all market segments and offer any product that another company needs.
- **Social and environmental responsibility:** Its social responsibility and its commitment to the environment make INMATEX a friendlier company for the public.
- **Experience and tradition:** Inheriting the textile traditions and more than thirty years of experience in the sector characterize INMATEX as a solid company, with decision capacity, process improvement, work specialization, with deep knowledge of the sector and with a standardization of products, that is to say, products always at a high level of quality.
- **Own storage facilities:** Having your own large facilities gives you confidence and security, which allows you to have the necessary stock in case of orders.
- **Family atmosphere and teamwork:** A family atmosphere and efficient teamwork allow efficiency and a positive working environment, which results in better production figures and better work done.
- **Strong financial system:** INMATEX has had positive results with great benefits for more than 5 years in a row. This means that it is a solid and profitable company, sales and profit margins remain positive.
- **Unconventional advertising:** Advertising based on word of mouth, experience and news in the communication media.

Weaknesses.

- **Market saturation:** Having quality products at a good price is currently not enough, most competitors offer the same, so INMATEX does not acquire differentiation or status.
- **Low promotional expenses:** Non-conventional advertising is a double-edged sword, actually, the expenses in conventional advertising are scarce and perhaps the amount of sales could increase if some other type of advertising is made.
- **Centralized distribution in Spain:** This can become a disadvantage if the company decides to expand internationally, this expansion would become more expensive and distribution would be slower.

- **Traditional communication system:** The communication with the clients is carried out by means of the traditional systems: telephone, electronic mail. There is no new communication, which can become obsolescence in the long term.

Opportunities.

- **Economic growth in Spain:** As we have analysed in the sector analysis and in the PESTLE analysis, Spain is in the midst of a period of growth, which means more employment and greater purchasing power, which results in an increase in spending on clothing and textiles. This means that INMATEX customers will increase production and will need more fabrics to produce their products.
- **Global growth online sales:** We are again faced with an opportunity/threat. Sales growth and the internationalisation of companies allow companies to grow in the medium and long term, increase the competitiveness of companies, better resist economic crises, find new opportunities in emerging markets and strengthen the brand.
- **Large-scale consumption of textiles:** As we have observed in the analysis of the sector and in the PESTLE, the increase in the IPRI shows an increase in the consumption of fabrics, which has a positive impact on INMATEX's sales.
- **Ageing of the population:** A more mature population accompanies the increase in life expectancy. In general, terms this population has greater purchasing power, which can lead to increased sales.
- **Growing interest in personal image:** The growing interest in personal image and fashion, including youngsters and pregnant women, sectors uninterested in the past. These people now look closely at the clothes they buy and spend more money on fashion.
- **Continuous technological advances:** Continuous advances that allow the creation of faster information exchange systems, maintain production and improve it with more complex logistics systems, improving the position of INMATEX.
- **New brands growing in the sector:** A growing wave of new brands and companies that produce clothing, fashion products, household products or party products, this implies new clientele or even a new market segment to which INMATEX can access.

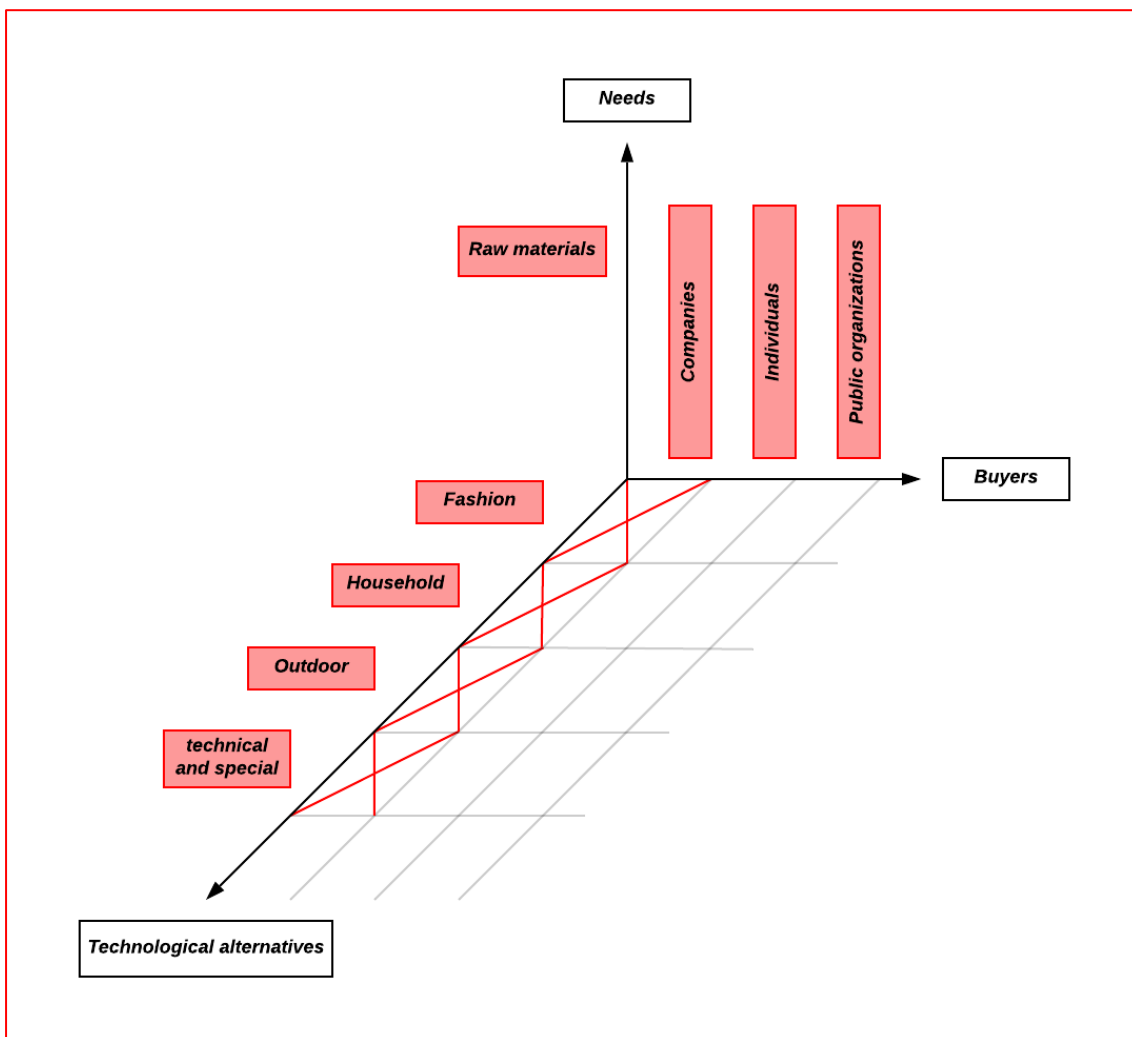
Threats.

- **Increased competition in the sector:** The increase in the number of companies also means an increase in the number of competitors. Fashion is no longer something for the upper classes and every company can be a competitor.
- **Demanding customers:** Customers have become much more demanding because people usually want to be well dressed. In addition, there are groups of people who do not want to go dressed like everyone else and want to differentiate themselves.
- **Creation of online stores:** As we have said the emergence of online sales and the creation of lower cost online stores and allows people to buy clothes from anywhere and if your company does not get on the boat of the Internet revolution it may be left behind and even disappear.
- **Limitation purchasing power of customers:** As we have explained in the consumer analysis, the expenditure on the household basket is limited and the percentage that show-spending priorities do not particularly favour spending on textile products.
- **Political uncertainty:** Spain is going through a period of political instability, which causes uncertainty in the legal aspect, especially regarding the regulations to which companies are submitted.
- **Existence of different laws in different markets:** The companies that trade with different areas of the Spanish territory and with different areas of Europe must know and respect all their regulations. This in turn requires workers more prepared to meet the needs of customers in these areas.

4 MARKET SEGMENTATION

As we can see in *figure 4*, INMATEX is aimed at the product market formed by buyers belonging to the segment of companies that seek to satisfy the need for raw materials by offering raw materials for different technological alternatives such as the production of fashion products, household, outdoor or technical and special fabrics:

Figure 4. Product-Market of INMATEX S.L.



Source: Own elaboration

As we can see, the fabric market is divided into four large segments: Fabrics produced for fashion, fabrics produced for the home, fabrics for outdoor products and technical and special fabrics.

In first place, we have **fashion-oriented products**, responsible for producing fabrics for all types of clothing, baby clothes, party clothes, conventional clothing, cold-weather garments and a thousand different types of clothing adapted to the needs of customers. In this segment, we find all kinds of companies dedicated to the production of clothing.

In second place, we have the segment of **fabrics for the home**, here we find all the fabrics used in home-decorating products such as curtains, upholstery of sofas, carpets, tablecloths, sheets, towels or any other type of element of the home. In this segment, we find companies dedicated to the production of household items.

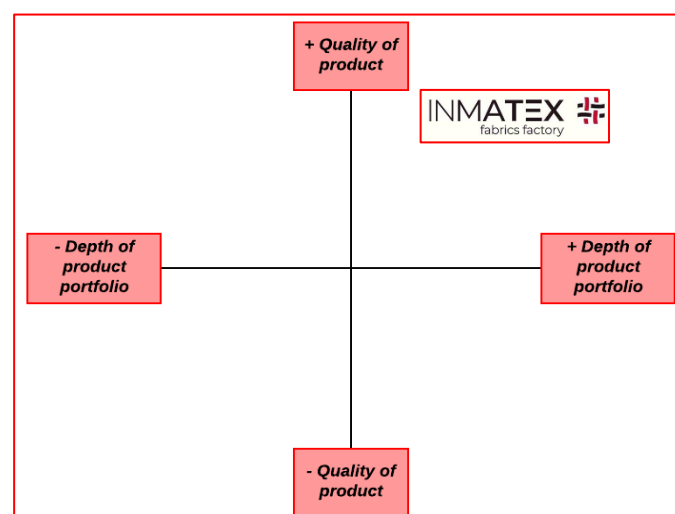
In third place, we find products that use **outdoor fabrics**, which are used to produce similar products such as home fabrics, but with different attributes, suitable for curtains and upholstery, but with greater strength, water resistance, fireproof, waterproof or breathable. In this segment, we find all kinds of companies that produce products for outdoor use.

In the last place, we find the **special and technical fabrics**, these are produced with specific high-performance fibres, which generally have high technical or mechanical resistance, and are used for clothes of firefighters, police, forest guards and they have special use in the industrial investigations and in the automobile sector. In this last segment, we find all kinds of companies dedicated to producing industrial fabrics with more technical characteristics.

4.1 Positioning

Once the four segments to which INMATEX is directed have been identified, based on the previous analysis, as can be seen in *figure 5*, we consider that the company is a company with a great depth in the product portfolio, whose products are offered with a high level of quality. In order to position INMATEX we will ignore the price variable as it has a very wide range of prices (products ranging from 0.2cent/m to X€/m).

Figure 5. Positioning Map



Source: Own elaboration

5 MARKETING OBJETIVES

Once we know the positioning of INMATEX in the market, we know its weaknesses and strengths, and we know the opportunities and threats that arise in the market where it operates, it is time to set objectives to achieve within a year. All these objectives are achievable, will be useful to focus the company's resources and will be achieved by applying necessary marketing activities. On the other hand, we have a more qualitative objective so its measurement is somewhat more complex, but that, as the market is developing and how the competing companies react to it, are key objective for INMATEX.

The objectives are:

Objectives of commercial relationships:

- 1) Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client.
- 2) Introduce online sales.
- 3) Improve INMATEX's presence on social networks.
- 4) To give a greater visibility to the company's products.
- 5) Improve brand recognition.
- 6) Increase customer loyalty.

Management objectives of marketing activities:

- 7) Increase the number of customers by 10% in the next 6 months.
- 8) Increase sales of household products by 10% in the next 12 months.

Business financial objectives:

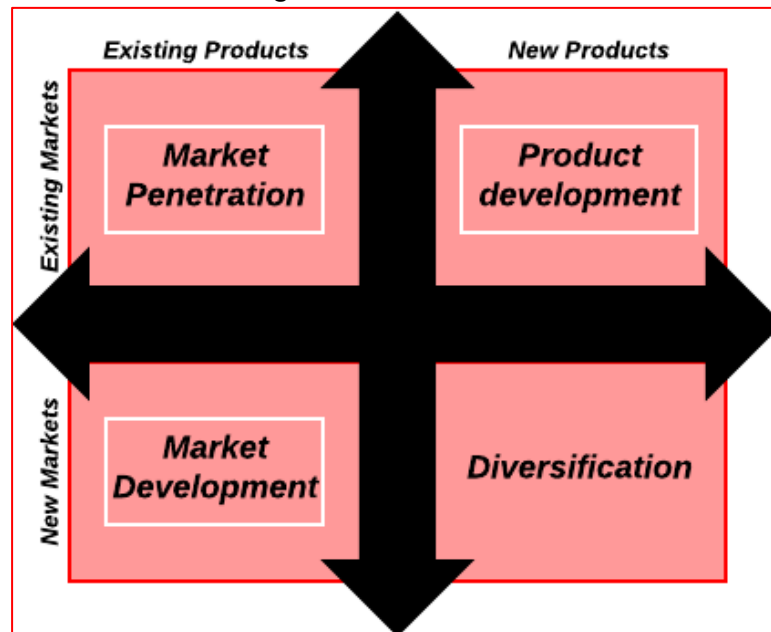
- 9) Increase profits by 10% over the next year.

6 MARKETING STRATEGIES

- **Growth and diversification strategy.**

In order to analyse the growth strategy to be carried out by INMATEX, we will use the Ansoff growth matrix (*figure 6*):

Figure 6. Ansoff's Matrix



Source: Own elaboration

After reviewing Ansoff's growth strategies, INMATEX should carry out the market penetration strategy, the market development strategy and the product development strategy. First, they should try to increase the sales of existing products trying to increase the market share, this market penetration will allow to reach some of the objectives set out above. The great advantage of INMATEX in developing this strategy is that it knows well the field in which it operates and this will facilitate the implementation of the actions to be carried out. Secondly, a market development strategy will also be developed in which INMATEX can develop new markets with its current products. In order to carry out this strategy, actions will be proposed to identify new geographic markets, new market segments and/or new distribution channels. Finally, the development of a new product line will be developed within the household market niche, which we will explain later in the actions.

The choice to develop these three strategies is because they complement each other. In other words, by finding new forms or channels of distribution, the company may also be able to increase the market share of the current market in which it operates. In addition, it may steal customers from its competitors and may develop a new product that will be distributed in these new distribution channels will increase growth exponentially.

- **Competitive strategy.**

INMATEX does not claim to be a cost leader, but neither can it be a company that adopts a significant differentiation because of the large number of competitors that produce quality products at a good price. However, based on the theory of *The Discipline of Market Leaders* developed by Treacy & Fred Wiersema, INMATEX can try to become a company based on operational excellence.

As we have mentioned, the textile industry is a sector where it is difficult to find great innovation that revolutionizes the market, and, in addition, the relationship with customers is based on rapid attention, (relatively low) prices and a supply tailored to their needs. In this environment, INMATEX can stand out if it finds a powerful mixture of quality, price and ease of acquisition of the products. The company can achieve this by optimizing and improving internal processes and developing good information systems that provide fast and reliable data for all its activities.

7 ACTION PROGRAMS

7.1 Summary of actions plans

Table 4. Summary of actions plans

Actions	Objectives
<i>Action 1: Collaborate with the SEAQUAL™ initiative.</i>	<ol style="list-style-type: none"> 5. Improve brand recognition. 6. Increase customer loyalty. 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.
<i>Action 2: Incorporate the tailoring phase as an extra value in the sales service.</i>	<ol style="list-style-type: none"> 5. Improve brand recognition. 6. Increase customer loyalty. 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.
<i>Action 3: Introduce improvements in the web (development of a design section for the client) and adapt it for online sales.</i>	<ol style="list-style-type: none"> 1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client. 2. Introduce online sales. 4. Give greater visibility to the company's products . 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.
<i>Action 4: Introduce all products on the web.</i>	<ol style="list-style-type: none"> 1. Optimize the web page, orienting it towards obtaining a greater number of visits and turning it into a useful tool for the client. 2. Introduce online sales. 4. Give greater visibility to the company's products. 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.
<i>Action 5: Incorporate the English language in the web.</i>	<ol style="list-style-type: none"> 1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client.
<i>Action 6: Create a Twitter and LinkedIn account.</i>	<ol style="list-style-type: none"> 3. Improve INMATEX's presence on social networks. 4. Give greater visibility to the company's products. 5. Improve brand recognition.
<i>Action 7: Periodically publish blogs entries and news on Facebook, Twitter and LinkedIn.</i>	<ol style="list-style-type: none"> 3. Improve INMATEX's presence on social networks. 4. Give greater visibility to the company's products. 5. Improve brand recognition.
<i>Action 8: Offer promotional discounts on website purchases.</i>	<ol style="list-style-type: none"> 2. Introduce online sales. 6. Increase customer loyalty 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.

Source: Own elaboration

7.2 Actions.

7.2.1 Product decisions

Action 1: Collaborate with the SEAQUAL™ initiative.

Objectives
4. Give greater visibility to the company's products.
5. Improve brand recognition.
6. Increase customer loyalty.
7. Increase the number of customers by 10% in the next 6 months.
8. Increase sales of household products by 10% in the next 12 months.
9. Increase profits by 10% over the next year.
Implementation period: After launching online sales
Budget: percentual cost

~ Fabrics for a clean ocean ~

Humanity has created about 8.3 billion tons of plastic, of which only 4.6 billion are in landfills or in the environment. It is estimated that 75% of the waste is found in the deep ocean and only 25% on the surface (*Picture 2*).

Picture 2. Ocean contamination



Source: Biopedia.com

The SEAQUAL initiative is a program dedicated to working with fishermen, NGO's, local communities and authorities to clean up marine debris found in the oceans. All this waste is collected, sorted and categorized so that each material (aluminium, glass, plastic...) goes to its unique recycling chain. In the process the plastic is separated and cleaned

for further processing into flakes and then into 100% recycled Seaqual™ polymer. This plastic is revalued and returned to the industry as "Recycled Marine Plastic". Thanks to this initiative, Seaqual™ allows the creation of beautiful, everyday products made from 100% certified and traceable recycled marine plastic.

This initiative is an opportunity for INMATEX to collaborate in the cleaning of the oceans, which will result in improved brand recognition. After selecting suitable plastics and having cleaned up the waste from the oceans, this plastic will be transformed into polyester thread to make fabrics which in the weaving phase can be combined with other ecological, natural, recycled or recovered fibres. Subsequently, ecological dyes and finishes will also be applied based on saving water and energy, thus completing the vertical and ecological process. INMATEX could collaborate with finishers such as *Ecolandye*, *Naturdye* or *Vital*, who specialise in 100% ecological finishes.

Producing these 100% ecological polymer fabrics and recycling marine plastics will have a higher production cost but the added value will be much higher compared to other products that do not use this type of fabric and this fabric can be sold much more expensive. These fabrics could be used to produce any type of product, be it household, fashion clothing, or outdoor fabrics.

Action 2: Incorporate the tailoring phase as an extra value in the sales service.

Objectives
5. <i>Improve brand recognition.</i>
6. <i>Increase customer loyalty.</i>
7. <i>Increase the number of customers by 10% in the next 6 months.</i>
8. <i>Increase sales of household products by 10% in the next 12 months.</i>
9. <i>Increase profits by 10% over the next year.</i>
Implementation period: <i>After launching online sales</i>
Budget: <i>Transportation costs</i>

As we have explained in the section on INMATEX distribution, once we move on to the finishing and dyeing phase of the fabric, we don't understand, but if we incorporate the tailoring phase as an added value in the purchasing process.

That is to say, for example, when the invented client *X-Curtains* comes to INMATEX to buy 10,000m of fabric to produce curtains, the company would offer the possibility of producing them and delivering them already finished. Here INMATEX would produce the fabric, take it to the finisher specified by the client and then take the printed and dyed fabric to a maker to produce the curtains, which would then be delivered to the final client.

In this way, the customer avoids the tedious process of finding a garment maker and the cost of transporting the fabrics from one place to another.

By incorporating this process, all the components of the production chain obtain their benefits:

- The customer does not have to worry about having to look for a garment maker.
- The finisher and the maker do not have to look for customers because INMATEX is in charge of getting them to them.
- We get more profit margins than if we just sell the fabric.

We would pay the cost of production to the finisher and maker as if we were the final customer and then sell the curtains to the customer at the final cost of the product, obtaining a higher profit margin. This will lead to increased customer and reseller loyalty as we offer added value to the end customer (avoid them managing the process) and we offer customers to finishers and manufacturers without them having to look for them. In this way, INMATEX would obtain a set of clients and companies that collaborate.

7.2.2 Distribution decisions

Action 3: Introduce improvements in the web (development of a design section for the client) and adapt it for online sales.

Objectives
<ol style="list-style-type: none"> 1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client. 2. Introduce online sales. 4. Give greater visibility to the company's products. 7. Increase the number of customers by 10% in the next 6 months. 8. Increase sales of household products by 10% in the next 12 months. 9. Increase profits by 10% over the next year.
<p>Implementation period: - Online sales and registration system 2 months - Own product design system for customers 5 months</p>
<p>Budget: Between 2000 and 5000€</p>

Little by little the number of companies that have online sales is increasing thanks to its multiple advantages, advantages such as offering items displayed 24 hours a day, anticipating the competition, breaking geographical constraints, facilitating the management so that increases the speed and functionality of the purchase process and among other things allows you to manage your customer portfolio.

In recent months, the website of INMATEX has improved greatly and has begun to introduce many references of their products, which makes it more attractive and colourful. Company employees have developed all this improvement internally. However, the website currently only acts as an informative tool and has no major significance for customers. The next step that the company should follow is to transform the website into a useful tool that allows customers to register (thus generating a control over them) and place orders over the Internet. The first problem is that not all the products are on the web and that every day new products are generated, but we will explain this in a later action. During the next two months, the company should incorporate a registration system (*figure 7*) and a system that allows customers to place orders within the products. In this way, we will convert online sales into a new distribution channel for the company, which will allow it to reach new customers in new geographical areas.

Figure 7. Example register system

SUS DATOS PERSONALES	SU DIRECCIÓN	
Nombre *	Nombre *	Pais *
<input type="text"/>	<input type="text"/>	España <input type="button" value="v"/>
Apellido *	Apellido *	Provincia *
<input type="text"/>	<input type="text"/>	- <input type="button" value="v"/>
Correo electrónico *	Dirección *	Información adicional
<input type="text"/>	<input type="text"/>	<input type="text"/>
Contraseña *	Código postal *	Teléfono móvil o fijo *
<input type="text"/>	<input type="text"/>	<input type="text"/>
(Mínimo 5 caracteres)	Localidad *	Dé un nombre a esta dirección para usarla posteriormente. *
<input type="checkbox"/> Inscríbese a nuestra lista de correo	<input type="text"/>	Mi dirección <input type="text"/>
<input type="checkbox"/> Reciba ofertas especiales de nuestros socios		

Source: Own elaboration

As we can see in the following *figure 8*, it would be important to incorporate a tab where to indicate the meters, the price (which will vary depending on the product and the fluctuation of the cost of raw materials) and a detailed description of the characteristics.

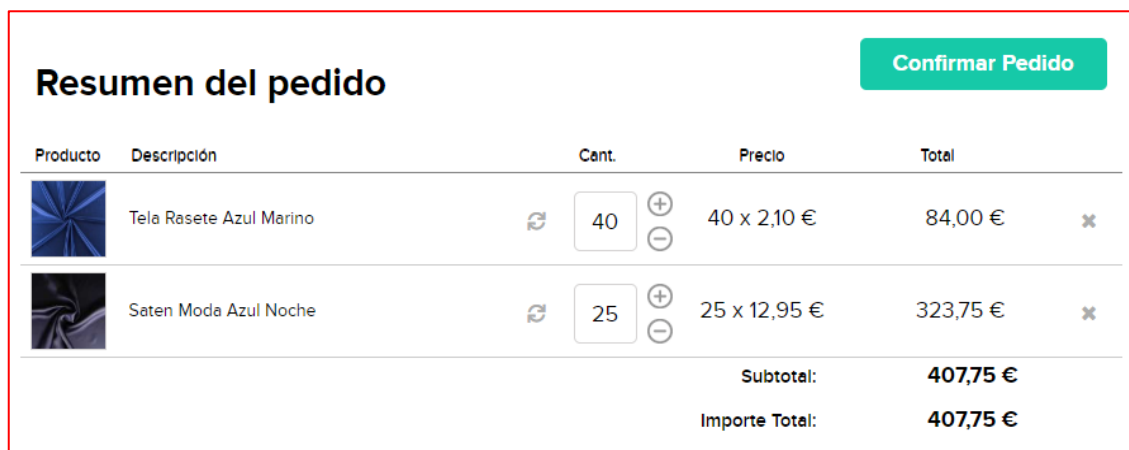
Figure 8. Example of the new web design



Source: Own elaboration

In addition, a shopping cart (figure 9) will be incorporated if several orders are placed and a favourites section to avoid the customer having to search each time for the product they want.

Figure 9. Example of the web-shopping cart



Source: Own elaboration

On the other hand, it would be important to develop a design section that allows customers to create their own designs. Those clients who know the specific data and do not need to send the sample will be able to make the design on the web, store it in their own private designs, and then, place an order of it. In this new design section, customers could see the following tabs (from figure 10 to figure 18):

Figure 10. Technical data of the product

Info Datos Técnicos Variantes Relación de Hilos Ligamento Simulación

DESCRIPCIÓN DEL ARTÍCULO

Pieza tipo Tejido plano Calidad

Carta de hilos de Urdimbre Carta de hilos de Trama

URDIMBRE

Peine de 1 dientes / 1 cm Lizos 0

	N. Hilos	Hilos/diente	Dientes	Anchura (cm)	Hilos /cm
FONDO	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
ORILLOS	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	
TOTAL	<input type="text" value="0"/>		<input type="text" value="0"/>	<input type="text" value="0"/>	
CRUDO				<input type="text" value="0"/>	<input type="text" value="0"/>
ACABADO				<input type="text" value="0"/>	<input type="text" value="0"/>

TRAMA

	Longitud (mt)	Encogimiento	Pasadas/cm
PLEGADOR	<input type="text" value="0"/>	<input type="text" value="0"/>	
TELAR	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
CRUDO	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
ACABADO	<input type="text" value="0"/>		<input type="text" value="0"/>

CÁLCULOS

	Composición	Merma (%)	Necesidades	Crudo	Acabado	
URDIMB	<input type="text"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	gr / ml
TRAMA	<input type="text"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	gr / ml
TOTAL	<input type="text"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	gr / ml
Merma Trama (cm)	<input type="text" value="0"/>	Pérdida acabado	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	gr / m2

Fajas Urdido Centrado Info. Producción Orillos... Selectores... Prod. Acabado

Source: Own elaboration

In the technical data tab (figures 10 and 11) the customer fills in the data of the product he wants if he knows its characteristics (plectrum width, warp threads, weft passes, shrinkage, gluing). The customer would fill in the technical data and proceed to choose the weft and warp threads that he wants to use in his product.

Figure 11. Technical data of the product 1

DESCRIPCIÓN DEL ARTÍCULO

Pieza tipo Calidad

Carta de hilos de Urdimbre Carta de hilos de Trama

URDIMBRE

Peine de dientes / Lizos

	N. Hilos	Hilos/diente	Dientes	Anchura (cm)	Hilos /cm
FONDO	<input type="text" value="7498"/>	<input type="text" value="1"/>	<input type="text" value="7498"/>	<input type="text" value="333.24"/>	<input type="text" value="22.5"/>
ORILLOS	<input type="text" value="88"/>	<input type="text" value="2"/>	<input type="text" value="44"/>	<input type="text" value="1.96"/>	
TOTAL	<input type="text" value="7586"/>		<input type="text" value="7542"/>	<input type="text" value="335.2"/>	
CRUDO				<input type="text" value="322"/>	<input type="text" value="23.4"/>
ACABADO				<input type="text" value="320"/>	<input type="text" value="23.6"/>

TRAMA

	Longitud (mt)	Encogimiento	Pasadas/cm
PLEGADOR	<input type="text" value="1000"/>	<input type="text" value="5"/>	
TELAR	<input type="text" value="950"/>	<input type="text" value="5"/>	<input type="text" value="22.8"/>
CRUDO	<input type="text" value="902.5"/>	<input type="text" value="0"/>	<input type="text" value="24"/>
ACABADO	<input type="text" value="902.5"/>		<input type="text" value="24"/>

CÁLCULOS

	Composición	Merma (%)	Necesidad:	Crudo	Acabado	
URDIMB	<input type="text" value="100%COOR"/>	<input type="text" value="5"/>	<input type="text" value="259.58"/>	<input type="text" value="247.22"/>	<input type="text" value="247.22"/>	gr / ml
TRAMA	<input type="text" value="100%COOR"/>	<input type="text" value="5"/>	<input type="text" value="248.44"/>	<input type="text" value="236.61"/>	<input type="text" value="236.61"/>	gr / ml
TOTAL	<input type="text" value="100%COOR"/>	<input type="text" value="0"/>	<input type="text" value="508.03"/>	<input type="text" value="483.83"/>	<input type="text" value="483.83"/>	gr / ml
	Merma Trama (cm) <input type="text" value="0"/>	Pérdida acabado	<input type="text" value="0"/>	<input type="text" value="149.81"/>	<input type="text" value="150.75"/>	gr / m2

Source: Own elaboration

In the next tab, we find the yarn variants (*figure 12*) where the customer will find all the yarns that the company currently has available, either yarns it has in stock or yarns that can be purchased easily. In case of having to buy yarn on purpose to make the product the delivery time will be longer since the company has to buy the yarns, manufacture the bobbins and produce the fabric. The thread used in the weft and the thread used in the warp would be indicated here.

Figure 12. Variants of yarns that make up the product

Ident	1	[2]	[3]
1	1/34 100COOR PK COMPAC PDO-ALGODON ORGANICO		
Ident	1	4	5
1	1/34 100COOR PK OLIVE 8425-ALGODON ORGANICO	1/34 100COOR PK BLANCO 8422-ALGODON ORGANICO	1/34 100COOR PK BLUE 8448-ALGODON ORGANICO

Source: Own elaboration

The next step in the design is to indicate the order in which the threads will be placed in the weft and in the warp. For example, in product 2 (figure 14) we indicate that 24 threads of each are placed before placing the next thread, the order would be, 1-24-24-24-24-1 (red rectangle). Depending on the type of product, the form of interlacing and the amount of threads would vary.

Figure 13. Ratio of product threads (product 1)

Id	Carta de Hilos	Color	1	Carta de Hilos	Color	[2]	Carta de Hilos	Color	1	2	3	4
1	ALGODON ORGANICO	1/34 100COOR PK COMPAC PDO								4		
Id	Carta de Hilos	Color	1	Carta de Hilos	Color	4	Carta de Hilos	Color	1	2	3	4
1	ALGODON ORGANICO	1/34 100COOR PK OLIVE 8425		ALGODON ORGANICO	1/34 100COOR PK BLANCO 8422		ALGODON ORGANICO	1/34 100COOR PK BLUE 8448				4

Source: Own elaboration

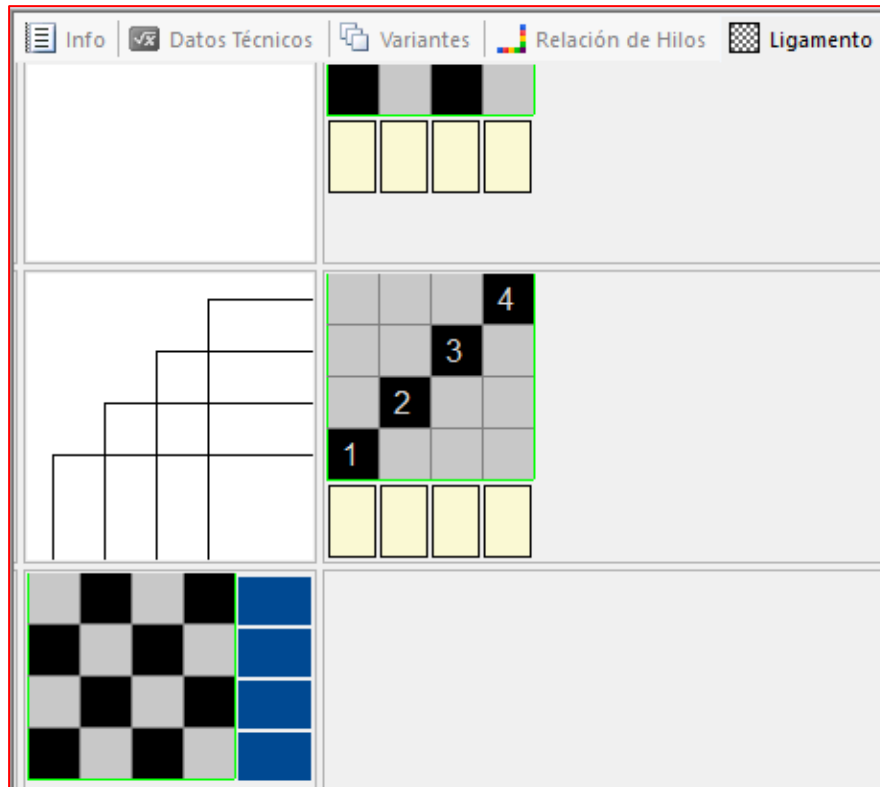
Figure 14. Ratio of product threads (product 2)

Id	Carta de Hilos	Color	1	Carta de Hilos	Color	[2]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Total		
1	ALGODON ORGANICO	1/34 100COOR PK COMPAC PDO					4																		4	4.1	
Id	Carta de Hilos	Color	1	Carta de Hilos	Color	[2]	1	2	3	4	5	6	7	8	9	10	11 <td>12 <td>13 <td>14 <td>15 <td>16 <td>17 <td>18 <td>Total</td> </td></td></td></td></td></td></td>	12 <td>13 <td>14 <td>15 <td>16 <td>17 <td>18 <td>Total</td> </td></td></td></td></td></td>	13 <td>14 <td>15 <td>16 <td>17 <td>18 <td>Total</td> </td></td></td></td></td>	14 <td>15 <td>16 <td>17 <td>18 <td>Total</td> </td></td></td></td>	15 <td>16 <td>17 <td>18 <td>Total</td> </td></td></td>	16 <td>17 <td>18 <td>Total</td> </td></td>	17 <td>18 <td>Total</td> </td>	18 <td>Total</td>	Total		
1	ALGODON ORGANICO	1/34 100COOR PK BLANCO 8422					1	24	24	24	24														108	1	
2	ALGODON	1/34 100COO PDO PEARL GREY 8452							24																	24	2
3	ALGODON	1/34 100COO PK PDO TRUE GOLD 9636								24																24	3
4	ALGODON ORGANICO	1/34 100COOR PK GRIS OSC 8451									24															24	4
																										192	

Source: Own elaboration

Once we know the quantity and order of threads, we indicate the interlacing between the weft and the warp (Sarga, Batavia, half-panama...). As we can see in *figure 15*, we find how the threads of product 1 would be intertwined.

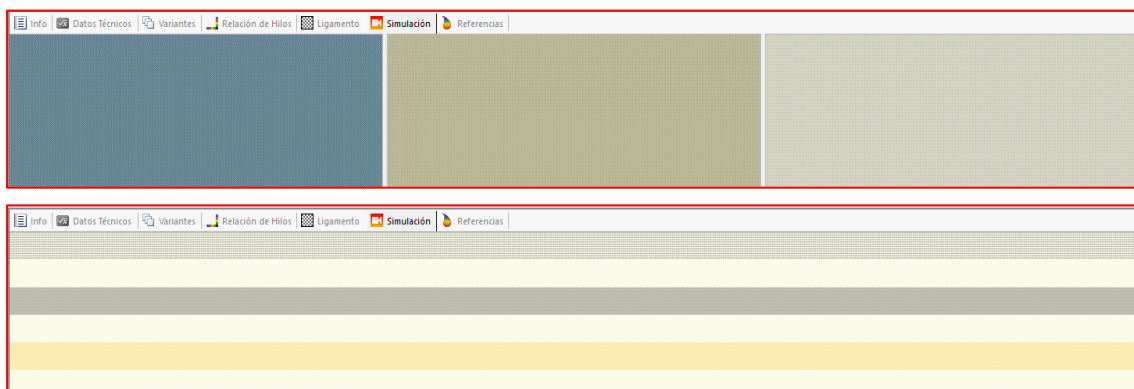
Figure 15. Representation of the ligaments of product 1



Source: Own elaboration

At this point, the customer has already finished entering the technical data and the yarn combination of his product. At the end of this phase, the customer can see a 3D representation of his product (*figure 16*) and can see a summary list of the product data (*figure 17*).

Figure 16. 3D simulation of products 1 and 2



Source: Own elaboration

Figure 17. Summary data of product 1

Source: Own elaboration

Finally, after completing the product data, a tab is automatically filled in which, depending on the yarns used and the width of the fabric, the product is assigned a name and an identification number (*figure 18*) for subsequent storage in the database. The customer would save his product in his private designs and here the design phase would end.

Figure 18. Reference and name of the product 1 and 2

Referencia	Urdimbre	Trama	Teñir	Color	Temporada C	Temporada Aplicaci	Banda	Varia	Código plegador	Materias	IDENT
\$ BLUE	1	5	<input type="checkbox"/>						7586H 1/34 100COOR PK COM PDO		101491
\$ OLIVE	1	1	<input type="checkbox"/>						7586H 1/34 100COOR PK COM PDO		101488
\$ WHITE	1	4	<input type="checkbox"/>						7586H 1/34 100COOR PK COM PDO		101490

Referencia	Urdimbre	Trama	Teñir	Color	Temporada C	Temporada Aplicaci	Banda	Varia	Código plegador	Materias	IDENT
\$	1	1	<input type="checkbox"/>						7586H 1/34 100COOR PK COM PDO		101492

Source: Own elaboration

The name of this product (*example: product 1*) would be **7686h 1/34 100COOR PK COM PDO** and its identification number would be **101491**. Same fabrics but with a different colour would have a different name and identification number. If the customer does not like the name of the product, the customer can assign a proper name on the web for their product. The name and the identification number are then transferred to the INMATEX database.

After creating the product, the customers would place the order, indicate the method of payment (usually no company pays cash in this type of market), the date and place of delivery. The date and place would vary depending on whether the product is in stock, has to be manufactured, or whether raw materials have to be procured and then produced.

Currently the company already has a design program for the development of their products; the task is to move this design system to the website in 6 months. The work would be done by the employees themselves with the help of a web designer who would be hired on purpose to make this incorporation into the company's website. As indicated in the summary table of the action, the cost of hiring the web designer would be approximately 5000€. The process would be to introduce during the first two months the sale of products that the company already has published on the web and the registration phase. Working in parallel, in the period of 5 months would introduce the section of design of new products made by customers.

Action 4: Introduce all products on the web.

Objectives
1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client.
2. Introduce online sales.
4. Give greater visibility to the company's products.
7. Increase the number of customers by 10% in the next 6 months.
8. Increase sales of household products by 10% in the next 12 months.
9. Increase profits by 10% over the next year.
Implementation period: 12 months
Budget: 0€

As we have previously stated the objective of turning the web into a useful tool and a sales channel will mean that, in the long term, the majority of sales will be made from there. However, currently the web has very few references compared to the amount of products available and that is a problem. The next action that must be carried out parallel

to the redesign of the website is to incorporate all the products of the company on the web, because if a customer needs a product, they must resort to the traditional purchase method (email or telephone) if it is not on the web.

As the variety of products available from the company is huge, a study must be carried out to determine which products have sold the most in the last 5 years. In this way, they will be ordered in a descending order which products must first be introduced on the web (those that sell the most) and which ones are not in such a hurry to introduce (those that have sold the least). In this way, at the end of the year, all the products available to the company must be registered on the web. The employees of the company will be responsible for introducing the products, so that the cost of carrying out the action is zero euros.

7.2.3 Communication and promotion decisions

Action 5: Incorporate the English language in the web.

Objectives
<i>1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the client.</i>
Implementation period: 1 month
Budget: 0€

As we have indicated in the objectives, we want to turn the web into a useful tool for the client. Currently the company has international clients (mostly located in Italy), however, the website is only in the Spanish language, and this can be a problem if the website is going to be used as a new distribution channel. Therefore, the important thing would be to introduce the English language so that the website is accessible to all types of companies, both local and international. This change would not have an economic cost since the employees of the company itself would develop the change. The appropriate implementation period would be one month, since in 2 months the company is going to introduce online sales so the web must be prepared and reviewed beforehand.

Action 6: Create a Twitter and LinkedIn account.

Objectives
3. Improve INMATEX's presence on social networks.
4. Give greater visibility to the company's products.
5. Improve brand recognition.
Implementation period: 1 week
Budget: 0€

INMATEX has a Facebook account, which is currently unused and does not have a Twitter or LinkedIn account. Social networks are tools with great potential and their creation and use has a cost of zero euros. The first action proposed to the company is to create a Twitter and LinkedIn account with the aim of reaching more people.

By creating these accounts (*Example of twitter account in the following figure*), we can increase the number of visits to the website, a tool that will become very important as we will explain below. In addition, it will serve as a tool to increase the interactions between the company and its customers. If both accounts are used properly and intelligently, social presence can be achieved, new products and designs can obtain greater visibility and greater brand recognition can be achieved.

Figure 19. Example of the Twitter account of INMATEX S.L.



Source: Own elaboration

Action 7: Periodically publish blogs entries and news on Facebook, Twitter and LinkedIn.

Objectives
3. Improve INMATEX's presence on social networks.
4. Give greater visibility to the company's products.
5. Improve brand recognition.
Implementation period: 1 week
Budget: 0€

Once we have the three accounts in the social networks available, the company can begin to publish news or links that redirect to the blogs that are published periodically on the web (*figure 20*). We can also publish news and changes in the company or we can publish news and collaborations as the SEAQUAL™ program that we will explain later. This allows us to give visibility to the company, improve its presence on the networks and improve the recognition of INMATEX as a brand.

Figure 20. Example of the Twitter account of INMATEX S.L.



Source: Own elaboration

Action 8: Offer promotional discounts on the website purchases.

Objectives
<p>2. Enter the online sale.</p> <p>6. Increase customer loyalty.</p> <p>7. Increase the number of customers by 10% in the next 6 months.</p> <p>8. Increase sales of household products by 10% in the next 12 months.</p> <p>9. Increase profits by 10% next year.</p>
Implementation period: After launching online sales
Budget: 0€

After the launch of online sales through the web (which will be communicated by mail to all current customers, will be advertised on social networks and the company's blog) will be carried out offers, promotions and discounts that will only be available through online purchases, so that this sales channel is advertised.

The discounts/promotions/offers that will take place after the launch of the website will be as follows:

- **Offer more product:** In orders of more than 100m will be given 5m free for every 100m orders, especially in those products that usually do not have so many sales but if sold. Example: Order 2000m canvas 7 290, extra 100m gift.
- **Discount for first purchase:** Offer a discount on the first purchase made from the web.
- **Samples:** When buying a product, samples of between 30-50m of similar products will be delivered, thus introducing new products.

These promotions may also be carried out in periods of low consumption later and may be advertised by email and on social networks each time a promotion is carried out.

8 TIMELINE

Once we have explained the proposed actions, we will show the schedule in which it is displayed the start and duration of actions:

Table 5. Timeline of actions

Actions	1	2	3	4	5	6	7	8	9	10	11	12
<i>Action 1: Collaborate with the SEAQUAL™ initiative.</i>						█	█	█	█	█	█	█
<i>Action 2: Incorporate the tailoring phase as an extra value in the sales service.</i>						█	█	█	█	█	█	█
<i>Action 3: Introduce improvements in the web (development of a design section for the client) and adapt it for online sales.</i>	█	█										
<i>Action 4: Introduce all products on the web.</i>	█	█	█	█	█	█	█	█	█	█	█	█
<i>Action 5: Incorporate the English language in the web.</i>	█	█	█	█	█	█	█	█	█	█	█	█
<i>Action 6: Create a Twitter and LinkedIn account.</i>	█											
<i>Action 7: Periodically publish blogs entries and news on Facebook, Twitter and LinkedIn.</i>	█	█	█	█	█	█	█	█	█	█	█	█
<i>Action 8: Offer promotional discounts on the website purchases.</i>						█						

Source: Own elaboration

START:	█	MAINTENANCE ALONG TIME:	█
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9 BUDGET

Table 6. Budget

Actions	Who does the action?	Budget
<i>Action 1: Collaborate with the SEAQUAL™ initiative.</i>	<i>Collaboration with other organizations</i>	<i>Variable (depend of the variable cost)</i>
<i>Action 2: Incorporate the tailoring phase as an extra value in the sales service.</i>	<i>Collaboration with customers and suppliers</i>	<i>Transportation costs</i>
<i>Action 3: Introduce improvements in the web (development of a design section for the client) and adapt it for online sales.</i>	<i>Own development with the help of a web designer</i>	<i>Between 2000 and 5000€</i>
<i>Action 4: Introduce all products on the web.</i>	<i>Own development</i>	<i>Free</i>
<i>Action 5: Incorporate the English language in the web.</i>	<i>Own development</i>	<i>Free</i>
<i>Action 6: Create a Twitter and LinkedIn account.</i>	<i>Own development</i>	<i>Free</i>
<i>Action 7: Periodically publish blogs entries and news on Facebook, Twitter and LinkedIn.</i>	<i>Own development</i>	<i>Free</i>
<i>Action 8: Offer promotional discounts on the website purchases.</i>	<i>Own development</i>	<i>Free</i>

Source: Own elaboration

- **Fixed budget:** 2000-5000€
- **Variable budget:**
 - Depends on the meters purchased and the unit price of the Seaqual™ meter.
 - It depends on the number of sales services carried out, as transport costs are borne by the company.

10 CONTROL

Table 7. Control of objectives

Objectives	Measuring Frequency	Control Method
<i>1. Optimize the web page, orienting it to obtain a greater number of visits and turning it into a useful tool for the clients.</i>	<i>Weekly until changes are completed</i>	<i>Review the introduction and functioning of changes on the website</i>
<i>2. Introduce online sales.</i>	<i>Monthly</i>	<i>Number of sales made from the web</i>
<i>3. Improve INMATEX's presence on social networks.</i>	<i>Monthly</i>	<i>Number of interactions in social networks and number of visits to the blog</i>
<i>4. Give greater visibility to the company's products.</i>	<i>Bi-monthly</i>	<i>Number of visits and number of sales on the web</i>
<i>5. Improve brand recognition.</i>	<i>One at the beginning and then monthly</i>	<i>Survey to evaluate the image of the company's customers</i>
<i>6. Increase customer loyalty.</i>	<i>Bi-monthly</i>	<i>Customer Satisfaction Questionnaire</i>
<i>7. Increase the number of customers by 10% in the next 6 months.</i>	<i>Monthly</i>	<i>Number of sales</i>
<i>8. Increase sales of household products by 10% in the next 12 months.</i>	<i>Quarterly</i>	<i>Controlling the number of sales referring to household products</i>
<i>9. Increase profits by 10% over the next year.</i>	<i>Biannually</i>	<i>Review the annual results and compare it with the result of profits from the previous year</i>

Source: Own elaboration

11 RETURN ON INVESTMENT

In order to determine the profitability of the investment we will carry out an approximate ROI, because many of the costs related to the actions of the marketing plan are variable. These variable costs depend, among other things, on the cost of the product, the amount of sales and the cost of transport.

$$\text{Approximate ROI} = \frac{(\text{Estimated benefits} - \text{Estimated investment})}{\text{Estimated investment}}$$

- Operating results of 2018 were 2,217,025€, so the estimated operating profit for the year 2019 is 2,438,726€ (2,217,025€ x 10%) because an increase of 10% in operating profit is estimated thanks to the implementation of the following actions. Therefore, the estimated profits that would be obtained thanks to the investment are 221,702 euros.
- Estimated investment cost = Cost of online sales + cost of sales Seaqual product + investment cost.

$$\text{Approximate ROI} = \frac{(221,702 - \text{Estimated investment})}{\text{Estimated investment}}$$

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