



Translating Product Innovation into a Potential Retail Business and Service Start-up through
the Student GradCap Event

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Background. Students and faculty from a fashion merchandising and design program initially created the GradCap Kit as a business development challenge through the National Retail Federation's student challenge in 2014. The concept idea came from faculty observations at countless graduation ceremonies and the rising trend of decorating college graduation caps. The student challenge was the perfect opportunity to turn the trend into a product. The product, a pre-packaged kit containing templates and sufficient products to decorate a college mortar board cap, was researched and developed by the students with faculty direction. The kit was to be marketed as "a do-it-yourself collection of decorating supplies used to embellish and personalize commencement caps," and targeted graduating female students in their early 20s with limited budgets to be sold through Michaels, the largest arts and crafts retailer (2017). Students thoroughly researched and sourced easy-to-use items that decorators would find exciting such as glitter letters, glitter tape, and rhinestones, and identified top color trends and popular university colors to include in the product assortment. After costing, marketing and distribution channel research, the students presented their work successfully to NRF and were awarded first place.

Purpose. After competition, faculty felt the product concept was worthy of some market trials. Each spring, students in an event planning class worked to raise funds for and produce a Senior Fashion show. The GradCap product was discussed and students conceptualized a Grad Cap Decorating fundraising event. Much of the initial product sourcing was already completed, from papers to glue, to lettering and trims. The next steps were to develop promotional marketing strategies, secure locations, dates, and times, decide on a cost, identify registration approaches, and work through product preparation, training and event staffing.

Procedure. For pricing, the GradCap had projected a retail price point of \$25.00 with a product cost of \$8.75. The kit, however, came in a clear plastic keepsake case, which would not be offered in the event. After some additional market research and cost evaluation, class members decided to charge \$15.00 for preregistration and \$20.00 for walk-ins at the event. Faculty worked with IT and university financial personnel and created an on-line registration system. Students could pre-pay through the system and make personalized selections. Pre-selected colors were offered so that adequate decorative product would be available based on selections. Additionally, the registration system required students to select a time slot during the event to allow planning for sufficient staff during peak times. The event was held on the campus in the university student center and was booked from 11:00 am to 8:00 pm on a Thursday, late in the semester. Promotional efforts included on-campus flyers, targeted mass emails, social media blasts and word of mouth. Additionally, the campus bookstore allowed the class to cross promote during

regalia purchasing events and leave flyers and a poster in store to promote the event. Training was conducted for staff. Job descriptions were written, a customer intake form was created, and mortar board samples were displayed to give customers ideas regarding design. Two Cricut® cutters were used to cut lettering to be used on the caps. A design board showing font and size selections was created to expedite the lettering selection process. A few caps were purchased and on hand for drop-in customers. All supplies were purchased based on the registration spreadsheet with anticipated walk-ins. Additionally, complimentary snacks and beverages were provided.

Results. Event day product moving and room set-up was smooth. Customers checked in, filled out an intake form and were assigned a host. The host guided the customer through the room, showing the various colored paper, glue and accessories stations, and explained the lettering system. The customer communicated ideas and the host assisted in gathering supplies and creating the finished cap. A plastic sleeve was provided for the completed cap. Fifty-five customers attended the event over the course of the nine hour event. Several walk-in customers attended, but the majority had pre-registered. The busiest times were over the noon hour and into early afternoon. Many customers entered the event with little idea about what they wanted their design to be, whereas most customers completed their cap design within a one-hour time frame. Color selection was broadly assorted and unaligned to University colors. Some product waste occurred due to design, cutting or gluing mistakes. The center hole was pre-cut on the measured base template paper. Nearly a dozen mortar boards brought in by customers had the center button off-center or askew. A quick trip to the bookstore provided replacement caps. Customers seemed to enjoy themselves and were generally pleased upon exiting with their design product.

Conclusions and Recommendations. For an event marketed as a first annual event, response was strong. Although more customers across the time frame would have been desired and easily accommodated for, adding customers at peak times would have caused challenges. Specifically, lines formed at the lettering or Cricut® machines, since customer really wanted to customize messages presented on their caps. A decision was made to continue the event for a second year with some modifications. Instead of hosting the event on one long day, it will be conducted across a shorter time frame but over two days, both covering the peak periods from the first year. (The event is scheduled for late April.) Additionally, an email will be sent out to participants to ask them if they have message or lettering requirements that can be pre-cut to alleviate some of the wait for lettering. Some streamlining of personnel will be addressed, as staff members stood waiting on design decisions for indecisive customers. Class members created cost comparison promotional flyers to help create demand. They also added a branded photo booth for early graduation photos. Approximately \$400 was raised for the one-day event after product costs were deducted. Labor costs were not included, as students worked the event as part of their class project. Students enjoyed designing, interacting and managing the event. In summary, students gained insight into various aspects of a unique retail service activity while raising needed funds.

Michaels. (2017). Our company. Retrieved from <http://investors.michaels.com/company-overview.cfm>.