Marketing Study of DSW Inc. (Designer Shoe Warehouse)

MKTG 3175

Dr. Anshu Arora

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Group 5

Editor: W. Renea’ Camper

Brandon Billups, Group Leader

Joshua Marshall

Micah Washington

Tiffani Williams
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Executive Summary

The main trend influencing the footwear industry in 2008 in the United States was the recession. Consumer spending stalled in 2009. Consumers no longer wanted to pay full price for footwear, and retailers responded with promotions and discounted prices. The trend of “dressing up” spurred sales growth in men’s suits and women’s dresses. With “dressing up” comes dress shoes. Because of higher unemployment rates, consumers viewed “interview” shoes as a necessity for pursuing job opportunities. Another trend some consumers felt was, to not be pressured to update their wardrobes due to uninspiring fashion options.

Many shoe retailers faced declines; however, DSW saw net sales for year ended January 31, 2009 increased by 4.1 percent from the year prior (2008 Annual Report, DSW.com). According to DSW.com, gross profit in 2008 increased by 2.4 percent from fiscal 2007.

Major shoe companies include Payless Shoe Source, Brown Shoe Company (owns Famous Footwear & Naturalizer), Footlocker, and DSW. The top 50 footwear companies own approximately 80 percent of the shoe industry revenue (Shoe Stores, MarketResearch.com).

History and Background

The Schottenstein family founded Shonac Corporation (DSW), and it was incorporated on January 20, 1969 in Ohio. The first DSW store was opened in Dublin, Ohio in 1991. Value City Department Stores purchased the DSW footwear unit in 1998. Retail Ventures was created in 2003 as a holding company for DSW, Filene’s Basement, and Value City Department Stores. Schottenstein’s Stores Corporation held 51 percent of Retail Ventures. In 2004, Retail Ventures merged Value City Department Stores with Value City Department Stores LLC and transferred all issued and outstanding shares of DSW to Retail Ventures in exchange for a promissory note.
(Company Profile, DSW.com). In 2005, the name of the company was changed from Shonac Corporation to DSW Inc. DSW launched its web store using ATG’s Commerce Suite software to allow consumers to purchase direct in 2008 (TheFreeLibrary.com). DSW began trading on the New York Stock Exchange under the symbol “DSW.” Retail Ventures owns approximately 62.9 percent of DSW’s total outstanding shares, according to the DSW 2008 Annual Report.

DSW has 298 stores in 39 states and an online web store, as of 2009 (2008 Annual Report, DSW.com). DSW also supplies shoes to 356 non-related retailers in the United States, under supply arrangements (Tradingmarkets.com). DSW contracts with Federal Express to transport the merchandise from the warehouse to the customer. DSW stores their inventory at their 660,000 square foot distribution center in Columbus, Ohio (DSW.com Distribution Center, 2009). DSW is one of the top branded footwear retailers in the United States.

**Corporate Culture**

The DSW website reports that, “At all levels of our organization, our Associates define the success of our business. They have established a corporate culture in which individual initiative is encouraged and quality performance is the standard. They reward and recognize their achievers. To be the best, the Associates are encouraged and empowered to positively impact their business. DSW says, “We haven't become the "darling of the shoe industry" by accident.” DSW takes pride in the difference their Associates make. “We value individuals who want a career working with a fast-growing, dynamic organization and who share our business mission”: (Careers, DSW.com)
Code of Conduct

“I will live by the following core principles and values governing my conduct as an Officer or Associate of DSW Inc. or another DSW Inc. Company.

To the best of my knowledge and ability, I will:

• Make all business decisions based on the best interests of my Company, without allowing my independent judgment to be affected, and taking all reasonable measures to not advance or appear to advance a personal interest in the course of a business decision.

• Act with honesty and integrity at all times, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

• Avoid conflicts of interest and disclose to my Supervisor, Manager, Internal Audit Department, the Chief Compliance Officer or Human Resources representative, any material transaction or relationship that reasonably could be expected to give rise to such a conflict.

• Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts.

• Deal fairly and respectfully with the Company’s customers, suppliers, vendors and Associates.

• Help maintain a safe workplace free of prohibited substances, unlawful discrimination and harassment.

• Provide accounting, financial and other information and disclosures that are accurate, certifiable, complete, objective, relevant, timely and understandable.

• Comply with applicable governmental laws, rules and regulations, as well as the rules and regulations of self-regulatory organizations of which the Company is a member.
• Diligently and consistently respect the confidentiality of information acquired in the course of my work. Take all reasonable measures to protect the confidentiality of non-public information about the Company and its customers obtained or created in the course of employment and to prevent the unauthorized disclosure of such information.

• Insure confidential information acquired in the course of my work will not be used for personal advantage or disseminated to the public via any communication (DSWInc.com).”

Customer Analysis

A graph at Quantcast.com claims that the DSW.com demographics on January 15, 2010 were as follows: 69% of shoppers were female; 40% of customers were between the ages of 35-49 years, 35% were ages 18-34 and 23% were age 50 and over; 56% of shoppers were Caucasian, 23% were African-American, 14% were Asian, 6% were Hispanic; 68% of shoppers have no children, 28 percent of customers had incomes of $30-$60K, while 31% had incomes of $60-$100K, 37% of shoppers had no college education, 47% had college degrees and another 16% of shoppers had graduate level or above degrees (Quantcast.com Demographics).
All consumers buy shoes. Therefore, the DSW customer may come from all VALS categories. However, the VALS survey indicates that DSW customers fall within the VALS types of Achiever, Believer, Innovator, and Thinker. Achievement motivates the Achiever and Achievers have many wants and needs. They are active in the marketplace, and image is important to them. Achievers prefer prestige products, and are interested in a variety of timesaving devices (VALS). Believers are motivated by Ideals. They are conservative and follow established routines. As consumers, they are predictable. They like established brands and products that are familiar. They are loyal customers. Innovators are successful, sophisticated, image conscience people with abundant resources. As consumers, they are very active and their purchases reflect their upscale tastes for the finer things in life. Ideals motivate Thinkers and they have high resources, which are a requirement to purchase the product. Thinkers are well-educated, well-informed, mature people who value order, knowledge, and responsibility. Thinkers actively perform research in their decision-making processes. Thinkers are conservative and practical consumers who look for durability, functionality, and value in the products that they purchase.
The recommendation for DSW Inc would be to suggest that they actively target Achievers, Believers, Innovators, and Thinkers for their product line.

**Product Market**

DSW main products are branded, men’s and women’s footwear, and accessories, and the footwear buying experience, at a lower than retail price. The customers are men and women aged 18 to 50+, who want to shop conveniently for brand name, designer, dress, casual, and athletic footwear at a discounted price. The customer types that are the focus are women, ages 18 to 49, with incomes of $30K to $100K+, with any level of education. The geographic area is the United States and internationally (via DSW.com) in both bricks and mortar and online locations.

**Segmentation and Targeting**

U.S. clothing, footwear, sportswear, and accessories retail segmentation is approximately 61.4 percent of the market. According to MarketResearch.com, the shoe store market in the United States includes approximately 30,000 stores.

The homogeneous market segments are all men and women. The heterogeneous market segments are men and women with incomes of $30 to $100K+. The substantial market is women, aged 18-39, with incomes of $60K to $100K+, with college degrees. DSW focuses on the brand, quality, and style-savvy consumers, who have a passion for shoes (About DSW, DSW.com).

**Company Mission**

“DSW strives to be the retailer of choice for branded footwear and accessories, by exceeding customers’ expectations for selection, convenience, and value” (Careers, DSW.com).
**Competition**

The competitors of DSW are all 30,000 retail shoe stores, department stores, and online footwear web stores. DSW’s direct competition is Payless Shoe Source with 3,954 stores and an online store, Shoe Carnival with 291 stores, Shoe Pavilion with 115 stores, Zappos.com, and Endless.com.

**Competitive Market Analysis**

Payless Shoe Source has 3954 bricks and mortar stores and an online web store. Their strategy is to offer 19 low to mid-cost brands of shoes and accessories for men, women, and children. Payless positioning is the low cost, medium quality shoe store, typically at prices no higher than $50. Their strengths are their low prices and many convenient storefront locations across the U.S. Their weaknesses are their low quantity of brands and their lower quality shoes. Payless would most like react to changes in DSW’s marketing strategy by increasing their advertising, and increasing the number of brands that they sell.

Shoe Carnival has 291 stores. Their strategy is to offer 34 low to mid-cost brands of shoes and accessories for men, women, and children. Shoe Carnival’s positioning is the low cost, medium quality shoe store, typically at prices no higher than $50. Their strengths are their low prices and many convenient storefront locations across the U.S. Their weaknesses are their low quantity of brands and their lower quality shoes. Shoe Carnival would most like react to changes in DSW’s marketing strategy by launching a web store, increasing their advertising, and increasing the number of brands that they sell.

Zappos.com was the first online, branded, discount shoe retailer (About Zappos.com). Their strategy is to offer low to mid-cost brands of shoes and accessories for men, women, and children. Zappos.com positioning is the high value, high quality shoe, typically at prices that
range from $20 to over $300. Their strengths are that they were first in the marketplace with their business model, their variety of prices, sales promotions, children’s shoe products, and their many brands. Their weaknesses are their high priced shoes and their lack of bricks and mortar storefronts. Zappos.com would most like react to changes in DSW’s marketing strategy by opening bricks and mortar storefronts, increasing their advertising, and increasing the number of brands that they sell.

According to the Endless.com website, they are a web store developed by Amazon.com to compete with Zappos.com and DSW.com. Their strategy is to offer many low to high cost brands of shoes and accessories for men, women, and children. Endless.com’s positioning is the varied cost, medium to high quality shoe, typically at prices that range from $20 to over $300. Their strengths are sales and many brands. Their weaknesses are their lack of bricks and mortar storefronts. Endless.com would most like react to changes in DSW’s marketing strategy by opening bricks and mortar storefronts, increasing their advertising, and increasing the number of brands that they sell.

Shoe Pavilion is a West Coast bricks and mortar storefront with 115 stores in five states (shoes.lovetoknow.com). Their strategy is to offer high cost, high quality brands of shoes and accessories for men, women, and children. Shoe Pavilion’s positioning is the mid to high cost, medium to high quality shoe store, typically at prices from $50 to over $300. Their strengths are their discounts. Their weaknesses are their low number of selections and their limited storefront locations. Shoe Pavilion would most like react to changes in DSW’s marketing strategy by increasing their advertising, and increasing the number of brands and quantities of inventory that they sell, and by opening more stores across the U.S., and opening a web store. Note: Shoe Pavilion filed bankruptcy in 2008, and stopped trading in the stock market by 2009, however the
firm was included in this analysis due to their inclusion in statistics that cover the time period used for this case study.

BCG Analysis

Based on the research conducted at Answers.com (2010), it was established that our company falls into the category of Cash Cow. Designer Shoe Warehouse is one of the leaders in the market when it comes to shoe sales with combining sales from retail stores, as well as online purchases. DSW exhibit a return on asset that is greater than Market growth pulling itself from the Question Mark Category and pushing it into the Cash Cow section. Fiscal year ending January 2010, DSW’s revenue was $54.7 million, and the company’s one year growth rate was 9.5%.

Payless Shoe Source is also a major Cash Cow based on the research conducted for the fiscal year ending January 2010. Payless’s one year company growth was down 3.9%, but with the money brought in from sales and market control makes it one of the biggest Cash Cows in the shoe industry. Payless’s net income for the fiscal year was $88.3 million coming from their 4,875 stores and outlets established to sell their product.

Zappos.com is another challenger of DSW, but because of their rapid growth and large consumption of cash this company finds themselves in the Question Mark Category of the BCG matrix. Zappos.com has the possibility of becoming a star, and even a Cash Cow eventually when market growth slows, but can also fall into the Dog category if market growth falls. Zappos.com is considered the problem child of the BCG matrix, because of its potential growth. DSW will need to keep a close eye to stay in control.
Endless.com is another competitor of DSW, but because of their large amounts of cash and rapid market growth they fall into the Stars category of our BCG Matrix. When the market growth rate slows, then it will become a Cash Cow. The last competitor of DSW is Shoe Carnival but with a low growth rate and declining market share, they find themselves in the Dog category.
External Market Environment/PEST Analysis

Political: Consumerism is a major political force. The “Consumer Bill of Rights,” which was enacted in 1962 gives consumers the right to safety, to be informed, to choose, and to be heard. This Bill continues to give consumers power in the marketplace. Trade agreements, like NAFTA (North American Free Trade Agreement) also control the movement of products internationally. Both factors can affect the DSW organization, positively and negatively.

Economic: The current recession has affected many organizations including DSW. Unemployment, interest rates, foreclosures, unstable stock markets, and changes in the exchange rate can negatively affect consumers buying behaviors. Retail sales have suffered due to the previous economic factors. Consumer spending has declined significantly.

Social/Cultural: The trend toward multiculturalism is making big differences to marketers globally. That trend commands special attention when performing market segmentation. Marketers must be careful that the U.S. advertising translates globally, and does not offend the international cultural environment. Women’s roles have changed since the 1950s when only 24 percent of women were working outside the home. In addition, women are now major decision-makers in purchasing. Today, 60 percent of women work outside the home. Advertisers must consider the psychology of work-at-home versus work outside the home women, and not offend either group. Another consideration is the trend toward “going Green,” which means thoughtful choices in packaging.

Technology: The largest technological impact comes from the Internet and the advent of computer networking. Consumers can obtain information, see commercials and advertisements, and purchase products via the internet. Marketers can conduct market research online, develop marketing plans on computers, design marketing campaigns, and sell their products online.
However, marketers must be careful to develop contingency plans for implementation if the technology fails.
# S.W.O.T. Analysis

<table>
<thead>
<tr>
<th>Mission Statement</th>
<th>Strengths-S</th>
<th>Weaknesses-W</th>
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| “DSW strives to be the retailer of choice for branded footwear and accessories, by exceeding customers’ expectations for selection, convenience, and value” | Low prices  
Better-branded footwear  
Retail stores & Web store  
Offers unique shopping experience  
Offers unique way of shopping  
Merchandising  
Patented unique display fixtures  
Convenient store layout  
Large number of products offer  
Good employee benefits  
Value proposition (Rewards Loyalty program) | Late to the online market  
Must compete with Zappos.com  
Small # of stores in only 39 states  
Does not sell children’s shoes  
Limited advertising  
Stores not in all metro markets  
Charges shipping fees online |

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<tr>
<th>Opportunities-O</th>
<th>SO-Strategies</th>
<th>WO-Strategies</th>
</tr>
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</table>
| Shoes are a necessity  
Increase market penetration  
Develop a market for children’s footwear  
Open more stores, in more states  
Increase focus on 35+ women  
Recession (unemployed consumers still need shoes)  
Sell in international markets to increase market share | Offer a specialty group of “interview shoes”  
Target the 35+ woman | Offer children’s footwear  
Open more stores in more markets  
Partner with other online giants  
Expand advertising plan |

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<th>Threats-T</th>
<th>ST-Strategies</th>
<th>WT-Strategies</th>
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| Recession  
Little barriers to entry  
Zappos.com  
Value City bankruptcy  
Changes in fashion tastes  
Non-renewal of supply agreements to Stein mart, and Filene’s Basement | Sell higher volume of shoes  
Cut Costs  
Keep up with fashion trends | Tell customers why they should shop at DSW, instead of elsewhere  
Offer children’s shoes  
Eliminate shipping fees (online) |

**Strengths**

The Designer Shoe Warehouse has a variety of better-branded shoes for a discounted price. The brands that DSW carries give the customer a greater quality product for a lower price than other retail footwear stores. Not only is there a variety of footwear to choose from, there is a large amount of these products, which gives the customer a large variety of footwear. DSW also offers a Value proposition, which is a Rewards Loyalty program.
The strength opportunities are that DSW could offer a specialty group of “interview shoes” that will target women that are 35 and older.

Strength strategies are for DSW to sell a higher volume of shoes along with cutting cost. DSW should also keep up with fashion trends, which will keep customers loyal and satisfied.

Weaknesses

Less fortunately, there are a few weaknesses such as; there are a small number of stores in the United States in 39 states. Children’s shoes are not sold at DSW. DSW was late to the online market, and has limited advertising.

Some weakness opportunity strategies include offering children’s footwear in-stores and online. DSW could also open more stores in more markets, and partner with other online giants. Expanding their advertising plan could also help DSW become more recognizable all over the country.

The weakness threats strategies will include eliminating shipping fees online to get more customers to buy products online and to increase the number of items each customer purchases. DSW could also tell customers why they are the best shoe retailer.

Opportunities

The main opportunity is the fact that shoes are a necessity and everyone needs them regardless of financial status. If more stores are opened in more states, it will create a larger customer base; also, selling in international markets would increase market share.

Threats

Competition will continue to be a threat, along with the constant change in consumer’s fashion taste. A non-renewal of supply agreements to Steinmart and Filene’s basement would be a threat. The little barriers to entry are a threat, because competition will continue to increase.
Marketing Plan Objectives

The DSW marketing plan objectives include continuing to focus on the heterogeneous and substantial markets, as well as developing a new children’s shoe market. They will build on their strengths, and take advantage of their competitor’s weaknesses.
Differentiation and Positioning

DSW Positioning

<table>
<thead>
<tr>
<th>High Value</th>
<th>Low Variety of Styles and Sizes</th>
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<tbody>
<tr>
<td>2. DSW</td>
<td>3. Endless.com</td>
</tr>
<tr>
<td>4. Payless</td>
<td>5. Shoe Carnival</td>
</tr>
<tr>
<td>Low Value</td>
<td>High Variety of Styles and Sizes</td>
</tr>
</tbody>
</table>

- DSW, Payless Shoe Source, Endless.com, and Zappos.com are all shoe retailers with online stores.
- DSW and Payless Shoe Source have both bricks and mortars storefronts and web stores.
- Shoe Carnival, and Shoe Pavilian are bricks and mortar storefronts only.

Note: Shoe Pavilian was included in this study, because it was in business in 2008 (statistics used). However, as of 2010, Shoe Pavilian has filed bankruptcy and is no longer in business.
Marketing Strategy

The unique selling proposition of DSW is the patented, convenient, and unique way that shoes are organized and displayed in stores, and the ease of making shoe selections online by narrowing the search by size, color, and style. Thirty one percent of online shoppers go to the internet first for their needs, reports InternetRetailer.com.

The advertising campaigns of DSW include network, cable and satellite television, Internet via YouTube.com, web store, and e-mail promotions to current customers (DSW.com Television Commercials, 2009). Word-of-mouth is another part of the DSW advertising campaign.

As an added value to the customer, when shoes are purchase from DSW online, they arrive at your home packaged in a large brown box, and the inner wrapping of the shoebox is tissue paper with a gold seal securing the paper.

DSW reports on its website that, “DSW is the shoe shopping destination for style-conscious women and men who appreciate value. With thousands of shoes, great prices, and an ever-changing inventory, the brand captures the imagination of shoe lovers nationwide. Encouraged by the award winning loyalty program DSW Rewards, these passionate shoppers return time and again to a treasure-filled environment they call “addictive” (DSW.com About DSW, 2009). Quantcast reports that a rough estimate of online traffic at the DSW website grew from approximately 2 million shoppers in November 2009 to almost 3 million shoppers in December 2009 (Quantcast.com Monthly Traffic).

DSW should develop new product markets to keep pace with competitors.
Porter’s Strategy & Five Forces Model - Value Chain

The bargaining power of DSW buyers is high. They have choices in the marketplace. DSW customers can choose to shop at retail outlets that have seasonal sales.

DSW suppliers have some bargaining power. DSW is not the leader in the better-branded discount footwear markets, so suppliers have some power in their pricing.

There are several threats of substitutes. Zappos.com and Endless.com both offer similar products.

There are potential new entrants to the industry. Other bricks and mortar retail storefronts may decide to open web stores to compete.

The rivalry amongst competitors exists with DSW, Zappos.com, and Endless.com. The similar offerings amongst the group causes constant efforts to maximize each of their strengths. DSW controls some of its rivalry by supplying non-related retail outlets with DSW shoes.

The overall value chain of DSW offers added value to its product by offering hundreds of better-branded, high quality footwear and accessories at a discounted price, a patented and convenient way of shopping, and high quality customer service to its customers.
## Marketing Mix

<table>
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<tr>
<th>Product</th>
<th>Place</th>
<th>Promotion</th>
<th>Price</th>
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| Better-branded footwear  
Accessories  
Unique Selling Proposition  
Quality  
Liberal return policy  
Nice packaging  
High-level branding | Retail stores  
377 leased shoe depts. in other stores (Filene’s Basement, Stein mart)  
Online web store  
No middlemen  
One main distribution center  
One West Coast distribution facility  
UPS delivery | Television  
Web store  
YouTube.com  
Word of mouth  
In store displays  
10,000 employees  
Salespersons | Lower than retail prices  
Consistent prices  
No seasonal sales  
Customer loyalty rewards |
Implementation and Control

There are a few weaknesses such as; there are a small number of stores in the United States in 39 states. In order for DSW to become more competitive they must implement a strong advertising campaign. Companies like Amazon and EBay spend millions of dollars to attract potential customers to their companies. If implemented, DSW could be more visible and take more control of the market share.

Children shoes and accessories should become a primary objective in the marketing of the DSW shoe stores. This product market would make the company a more versatile competitor in the shoe market. This effect would make it easier for families to do more one-stop shopping, instead of leaving and spending their money elsewhere.

The leased shoe departments like Filene’s Basement and Stein Mart is a great business strategy, more acquisitions should be made to increase company revenue. DSW should look into making Payless Shoe Source apart of their leased shoe department repertoire.

DSW is successful due to the combination of bricks and mortar stores and their online web store, which offers better-branded footwear at lower than retail prices. They have also seen success for leasing all of its real estate versus purchasing it. Their strategy is to offer the lessor a percentage of sales as rent, which creates a win-win situation for both parties.

DSW should develop a children’s shoe market to compete with its competition, and increase its market share. Our recommendation is to offer a promotion of a twenty percent discount on children’s shoes to everyone that buys at least one pair of men’s or women’s shoes.

The leased shoe departments like Filene’s Basement and Stein Mart is a great business strategy, more acquisitions should be made to increase company revenue. DSW should look into making Payless Shoe Source apart of their leased shoe department repertoire.
We recommend that DSW focus its marketing efforts on the homogeneous market segments, the heterogeneous market segments, and the substantial market segments. DSW focuses on the brand, quality, and style-savvy consumers, who have a passion for shoes.

With DSW opening ten new stores in 2010, DSW is hoping to increase its market presence across the county as well as increase its market share. As the leading shoe retailer in the United States, we hope to increase sales forecast tremendously. As of 2009, DSW plans on opening stores in both new and existing markets while expanding its store portfolio to include lifestyle and regional mall locations. DSW wants to increase revenue with enhanced merchandising and hopes to gain profitability by leveraging our cost structure in areas of regional management. (Dsw inc form,2010)

Financial Statistics

Since its inception in 1991, DSW (Designer Shoe Warehouse) has shown a tremendous ability to compete and create profits, thus making them the leading specialty shoe store in the United States. The first DSW store was opened in 1991 in Dublin, Ohio. Retail Ventures has created in 2003 as a holding company for DSW, Filene’s Basement and Value City Dept stores. In July of 2005 DSW, became a publicly traded company. They had $ 16.2 million common shares available and they were trading at $19 per share. Currently, the stock is trading at $27.61 with a 52 week high of $29.78 (Thomson, 2010). Since then, the company has continued to grow and has maintained a high level of success and profitability.

Since the origin, DSW has provided its customers with high quality footwear and accessories at everyday prices. Since the beginning, the company has committed itself to rapid growth and the expansion of its organization. DSW can contribute most of their continued revenue growth because of the opening of new stores coast to coast. There are currently
approximately 300 DSW stores around the county and 10 more will be opening in 2010 (Ritter, 2010). The average DSW is around 25,000 square feet and are typically located in shopping strips, most of their space in the store is used for selling, which is about 85 percent. DSW supplies shoe departments in four other retailer chains; 278 Stein Mart locations, 63 Gordman Stores locations, 36 Filene’s Basement locations, and 1 to Frugal Fannie’s Store. DSW reported the revenues collected from these leased department operations were 13% of their total revenue (Thomson, 2010). DSW has raised its full year outlook, because of better than expected fourth quarter numbers. Stock market analysts expect DSW to be trading a $1.25 a share, rather than earlier predictions of $.90 cents a share (Thomson, 2010). DSW caters to the passionate shoe enthusiast and through these tough economic times, DSW continues to be amongst the top industry leaders.

As a fairly new company, DSW has held its ground and established a name in the footwear industry. According to NPD Fashionworld, the adult footwear market is a $36.6B industry. DSW primary competitors are department stores as well as mall based stores, national chains and independent shoe retailers. DSW believes that consumers prefer a variety of selections, compared to the typical selections of a traditional department store. DSW main competitors are Payless Shoe Source, Shoe Carnival, Zappos.com, and Endless.com, DSW captured 2.3% of market share in 2009 from the competition. Over the five fiscal years ended January 31, 2009, DSW net sales have grown at a compound annual growth rate of 13.1%, compared to the average of their top competitors at 5.6% (Solsman, 2010). DSW has continued to outgrow its competition in 2010 and it has the numbers to back it up.

With the unpredictable economy, DSW has demonstrated the ability to consistently deliver revenue. As of January 31, 2010, DSW reports revenue of $1.6 billion dollars, which is
an increase from $1.46 billion. DSW realizes that the economy has adversely affected consumer confidence and consumer spending habits, but has prepared for tough economic times by increasing a combination of cash and investment reserves of $144.3 million. DSW has enhanced sales through enhanced merchandising and the use of historical sales trend. In order to maintain revenue DSW plans on opening stores in both new and existing markets. They also plan on pursuing opportunities in regional malls, lifestyle centers and urban street locations. DSW has expanded growth in one year by 9.5 percent. DSW plans on expanding its website and making it more user-friendly to generate more Internet sales. Stock analysts predict that DSW will increase sales this year by 35 percent.
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