



School of Administration
Graduate School of Business (Rosario GSB)

Master in Entrepreneurship and Innovation

Torri Galeano
Entrepreneurship Project Modality

Presented by:
Andrés Felipe Ávila Galeano, Steffany Alejandra González Lancheros
& Alvaro Meléndez Grau

Bogotá, D.C. May 26, 2024



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Under the direction of:

Alejandro Delgado

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Preliminaries

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Andrés Felipe Ávila Galeano

This space will be a tribute and thanks to my parents Carlos González and Alexandra Lancheros for pushing me to be better every day, for motivating me and for being with me unconditionally. This is for and because of you.

Steffany Alejandra González Lancheros

With deep respect and humility, I want to give my special thanks to GOD, my family, my teachers and mentors who with their time and dedication have allowed me to complete yet another stage in my life.

Alvaro Meléndez Grau

Devotions

I wish to dedicate this thesis to God, who has been the main architect of this process from its inception to its successful completion. At every stage, it was he who sustained and guided me, and it is to him that I attribute all the merit. This thesis is dedicated to God, with the conviction that all glory, honor and power belong to him and will always be attributed to him.

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To my parents: Gloria Galeano & Juan Carlos Avila, since they have been the ones who have given me all the tools to be what I am at this moment and even those who have given me the knowledge to make this project unique in its entirety.

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To my parents, Clara Elena and Alvaro who watch over me from heaven and earth. To my sons, Esteban, Camilo Andres and Nicolas who are the engine of my life. To Lina, my traveling companion in this adventure that is living.

Alvaro Meléndez Grau

Statement of Originality and Autonomy

We declare under oath that we have written this Applied Business Project (ABP), in the modality of Torri Galeano Entrepreneurship Project, on our own account and that, therefore, its content is original.

We declare that we have clearly and precisely indicated all direct and indirect sources of information and that this ABP has not been submitted to any other institution for qualification or publication purposes.

ANDRÉS ÁVILA

Andrés Felipe Ávila Galeano



Alvaro Meléndez Grau



Steffany Alejandra González Lancheros

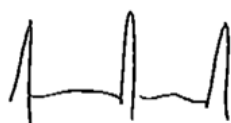
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Statement of Disclaimer of Liability

We declare that the intellectual responsibility for this work lies exclusively with its authors. Universidad del Rosario is not responsible for the contents, opinions or ideologies expressed in whole or in part.

ANDRÉS ÁVILA

Andrés Felipe Ávila Galeano

A handwritten signature in black ink, consisting of a series of connected, somewhat vertical strokes that form a stylized, abstract shape.

Alvaro Meléndez Grau

A handwritten signature in black ink, featuring a large, stylized 'S' shape with a vertical line through it, and a horizontal line at the bottom.

Steffany Alejandra González Lancheros

Signed in Bogotá, D.C. on May 26, 2024

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Abstract

Torri Galeano

The research will propose a strategic plan to create Torri Galeano, a luxury clothing brand that will combine handmade tailoring with contemporary elements. Traditional practices and fashion trends will be analyzed to identify opportunities for integration and develop a comprehensive plan for design, production, and marketing. The goal will be to produce high-quality products and establish a strong presence in the luxury market, evaluating financial impact, positioning, and customer satisfaction.

Torri Galeano will seek stability and growth by evaluating the profitability of a product based on emerging technologies, focusing on customer satisfaction to secure market. AI, Chatbots & IoT will improve efficiency, productivity, and brand projection. We will seek to offer a personalized luxury experience with advanced technologies, ensuring high quality and customer satisfaction.

The financial plan will highlight the importance of maintaining variable costs, allowing us to accumulate cash as sales grow. Gross profit will be 60% of sales from the first year, remaining stable. Operating profit will increase from 31.7% to 37.1% due to expense optimization and a strategic sales plan. The break-even point will be reached in the third quarter of the first year.

Cash and working capital will show a steady accumulation of funds, offering options for dividends or reinvestment in new projects. The initial investment will be \$390 million, adding a bank loan to total \$453 million. CAPEX will be for computer equipment with an annual depreciation expense of \$16 million. OPEX will be \$0.28 per peso in sales, and annual

depreciation will adequately manage the assets. The combination of equity and debt will ensure financial self-sufficiency. The Net Present Value will project wealth of \$5,659 million, demonstrating the viability of the project.

Keywords

Fashion Handcraft, luxury, Business Model, Innovation, Technology

1. Introduction

Torri Galeano is a luxury clothing startup whose proposal is to create clothes for each of their customers. They are committed to high quality in the materials of each piece by the hands of master tailors and offering exclusive and timeless design by customizing each piece with measurements, details and features they choose.

After studying the market segment and the fashion industry's trends, we aim to position Torri Galeano in a world where fashion has become an expression of personality. It is possible to identify an important opportunity to create value through the personalization of products and services within the textile and technological sector. Currently, according to an analysis by a firm specialized in market intelligence and with the study McKinsey Next in Personalization 2021, done by McKinsey Company consulting firm with a sample of 1013 people, 76% of the consumers consider the personalization of products and communications as a key factor to choose a brand (Birch, 2022).

Global luxury markets expect to innovate to add value, offering accessible and affordable products and services that align with consumers needs and priorities, such as sustainability, high-tech or high-quality aspects (Euromonitor International, 2024). The Ask AI trend might add a competitive edge to innovation processes, empowering the acceleration of go-to-market strategies and product and service tailoring via gender personalization, and user experiences, such as personal assistants. However, it will be essential to set clear guidelines for a responsible implementation of generative AI (Euromonitor International, 2024).

Keeping the above in mind, and after market research and an analysis of the competition, the strategy defined for TG, based on technology for entering competitively into

the luxury clothing market, with the objective to have a wider reach and a more aggressive differentiation to benefit maximizing, focusing on the customer service.

We will rely on Intelligent Artificial, Machine Learning, Chatbots and other current technologies in the market to offer customers a truly exclusive and personalized experience. We will benefit the market through a new innovative platform supported on artificial intelligence, which will let users take exact measurements from their own house, work or even from their trips and custom their all-dressing items: fabric-to-closure, color, and facture. All the above in just one single website that will include many and exclusive buying options: purchasing complete and fashionable dresses, to design new and innovative models using properly Artificial Intelligence, new designs and creations, personalization, regardless of their location.

In fact, the satisfaction that a client receives from getting a unique item is priceless, so will focus on optimizing the quality and time for making orders, allowing the expression of personal creativity.

Torri Galeano is focusing on three key pillars, which will illustrate the origins of the business idea and help project it in the future. First, the nature of the project will be put on focus, and the origins of the business, general and specific goals will be delineated. Besides, the essence of the business idea will be presented through Business Model Canvas: the value proposition, types of business strategy, the general overview of the industry and industry analysis of the brand. Second, the marketing plan for the project focused on positioning the manufacturing and retail brand as a key player in the field of luxury apparel, while describing the corporate governance and a strong financial plan that allows us to manage the company efficiently. Third, an extended vision towards the future will be drawn, proposing future technologies like AI (Artificial Intelligence) as a crucial element in future markets; this

approach allows us to project the business idea in order to become objective and responsible regarding the challenges and opportunities that are expected to occur in the next decades.

Hence, the goal is to create an ethical business that over time would wisely use the emerging technologies to execute responsibility, effectiveness and efficacy in the lingo of the business world, while creating the optimal stitch by combining the traditional with the modern: Maurizio's classic tailoring with AI and chatbots and modern technologies in general, in an ethical and strategic way.

2. General Objectives

The overall goal of this research is to create a strategic plan for the launch of a luxury brand clothing line that seamlessly combines the heritage traditions of a sartorial artisan boutique as well as contemporary and modern trend. This will involve a thorough exploration and in-depth analysis of the heritage artisan sartorial practices as well as the current fashion trends with a view to identify avenues for their integration into the creation of a unique and distinctive luxury brand clothing line. A methodological strict approach that involves market research, fashion trends report, competitor comparison and AI, aimed at creating a 360° strategic plan for the design, production and commercialization of the brand lined to help in positioning the brand in a competitive luxury fashion market.

This model aims to not only see the creation of products that are High Quality sophisticated products in the luxury fashion market but also a premier and prestigious placement in it, as well as evaluate the impact of implementing this model on the financial viability, brand positioning and customer satisfaction, in order to create an organization that contributes to the development and enhancement in the textile and fashion industry. We will analyze four main areas: financial, growth, customer, product quality and AI.

1. At the finance level, we pursue a strong financial and sustainable growth by rigorously examining the profitability and economic growth potential of the company, focusing on the creation of a differentiated new artificial intelligence product. This financial assessment will determine if it is feasible to create the product, and whether it can strengthen Torri Galeano's position in the market.
2. A key objective is the strategic acquisition of clients, one that is complementary to the Buyer Persona. It seeks to create a strong market share through the use of identified specific strategies devised to attract and retain these types of prospective customers. A segmentation approach to the market will guarantee steady growth and significant presence in the niche market segment.
3. To assure operational effectiveness and consistent quality across all areas, a process optimization and systemization will be introduced. This will include the implementation of systems for minimizing chances of error in the production process, enforcing quality standards higher than the minimum, and also clear agreements with suppliers for fast delivery times and excellent customer service. The optimization of key processes will strengthen TG's ability to perform competitively in the market and to honor the expectations of its clients.
4. Finally, it will pursue the maximization of business value by integrating AI-based strategic approaches into all the business functions and operations. This innovative approach will help TG leverage the full potential of AI to enhance efficiency, productivity and decision-making. Through the integral incorporation of AI to the business strategy, TG will provide more advanced and differentiated solutions, which will boost growth and the long-term profitability of the business.

3. Business Concept

3.1. Value proposition

Exclusive Experience, Luxury, Elegance & Personal style

Torri Galeano will reach the market with a highest distinction experience by luxurious exclusive clothes with the help of newest technologies through Internet of the Thing (IoT) and Artificial Intelligence (AI). We will provide a website with a Chatbots; through our Chatbots, we will help our customers to have a unique online experience in our website, where customers can interact and get the correct counsel. Also, our AI will help us to develop tools that can simultaneously taking measures, and advice our customers from their unique preferences. Additionally, by using the highest-standard quality raw materials, we ensure that no matter the garment, it will be seen as a tribute to the world of luxury, and made-to-measure through the uniqueness of our customers' tastes. All of this solved using simple clicks. This will build a future reputation that will growth around the Torri Galeano Brand and its exclusivity as a luxury trademark. Torri Galeano is marketed towards successful persons, who appreciate the authenticity, the elegance, and their power, to enjoy a unique and exclusive experience in the process of purchase.

Figure 1. *Torri Galeano Founder*



Source: Own elaboration

3.2. General background

To fully understand the value of the TG brand, it is necessary to understand the background that supports commercial and strategic decisions. In this sense, the selection of high-quality textile suppliers, from international renowned providers, is an important step in the productive process; these exclusive suppliers provide raw materials from the world's finest mills: Harris Tweed, Moon. In Italy: Loro Piana, Vitale Barberis. In Perú: Barrington. Located in textile heritage areas from England, Italy and Perú, establishing us as a driving force of excellence; for this reason, we make a careful selection of materials that ensures a standard of quality, promoting the production of pieces made entirely of 100% natural fabrics such as different lambs from all over the world; among others. Furthermore, we have the

exclusivity of distribution for certain of these valuable natural fibers, which gives us a differential advantage in our positioning in the luxury fashion industry.

In all, it is important to understand both the concept of luxury and what a luxury brand is, in order to determine the correct narrative keywords needed to write this with precision and brevity. Luxury has undergone a significant change in the past few years, growing to be much less defined with a genre runway model type of client – in other words, to be something lucrative that encompasses various products and experiences, as Business of Fashion states (2021). It is no longer limited to the European houses of couture but includes collaborations between established and emerging brands, thus reflecting the changing panorama of the industry, influenced by consumer preference and the culture. Players in the sector, such as Aaron Levant and Zerina Akers, two members of Business of Fashion’s 500 list of key luxury-industry professionals, point out that luxury can be defined by qualities such as craftsmanship, exclusivity and emotion, and not by practicality. Luxury, therefore, goes beyond the possession of products, it is an experience which enables the individual to satisfy their desire, aspiration and identity, as Levant and Akers express in their article Transforming Luxury for Business of Fashion (2021)

Moreover, according to Eunju, Costello and Taylor (2019) in “what is a Luxury brand? A new definition and review of the literature”, a luxury brand, therefore, embodies ultimately a suite of definitional attributes that elevate it from conventional consumer market offers. This includes high quality craftsmanship, authentic value, a prestigious image, premium pricing and the power to create a deep customer affinity. And as per Bethany Williams and Fewocious (2019) the elements of luxury’s quality, authenticity, and emotional engagement, mean that narrative, heritage, and shared values are important to building consumer loyalty. What is more, “a luxury brand transcends material possessions, as emblem

and trophy of status, sophistication and self-expression to upscale consumers, who seek to experience the ultimate in quality and to forge precious bonds”.

The integration of AI in the fashion industry represents a pivotal change in consumer-brand relationships especially in the luxury fashion sector. As Chung et al. (2020) explain, the electronic service agents based on IA, especially chatbots, have a critical role for the perception and customer satisfaction in the digital era. The increased presence of the digital environment is emphasizing the growing dependence of the technological advances on fulfilling the customer-expectation matters in the real-time interactions. High-end brands are embracing this paradigm shift by employing chatbots to improve the quality, accuracy and credibility of communication, driving ultimately the customer satisfaction and the value of the brand. Given the empirical analysis, it is evident how the marketing efforts facilitated by Chatbots (including the interaction, the customization and the resolution skills) affect significantly customer-brand relationships and the purchase-related decisions, underlining the “transformative power of AI” to “redefine customer experiences and commitment to the brand in the digital age” (Chung, Ko, Joung, & Jin King, 2020).

The potential for AI to be integrated into marketing practices provides an undeniable opportunity for the luxury sector to achieve even higher levels of client capture and operational efficiency. As Campbell, Sands, Ferraro, Tsao and Mavrommatis (2020) explain, this transformative shift requires a structured approach, which commences with “the development of CBs and culminates with an AI-centric organizational culture”. The Italian group Zegna has introduced Zegna X – a new technology retail interface in partnership with Microsoft – to optimize the purchase experience for customers, in-store as well as online. Zegna X allows each customer to create up to 49 billion looks of casual and ‘ready-to-wear’ clothing, which can be delivered to your home in four weeks. Not only does Zegna X enhance

the work of the brand's own stylists by allowing them to send images of items to customers through multiple communications channels, it provides an ultra-exclusive, hyper-personalized service to the end user (Idearium, 2024).

Figure 2. Zegna X Store, Italy



Source: (Idearium, 2024). Taken from: <https://www.idearium.es/10-mejores-campanas-ia-sector-moda/>

Recent research shows how AI is impacting the fashion industry in a lot of different ways. In fact, some brands such as Stradivarius, have released collections designed with AI beyond and level of creativity and challenge the traditional ways of working in fashion. Platforms such as Zalando are developing AI systems able to make fashion-adapted recommendations based on the client's preferences and events. Finally, companies like Levi's have implemented AI models to break stereotypes and challenge the dominance of standardized beauty ideals. Furthermore, AI allows to optimize campaigns improving results by creating hundreds of permutations for the same advertising message, therefore making the

most out of a digital campaign with the same budget. AI and machine learning will then be crucial to anticipate the user's interest and willingness to buy, completely transforming almost any aspect of the fashion industry, from design and production to the market, the purchase and user experience. In short, research predicts that AI will increasingly change the world of fashion over the next years (Idearium, 2024).

Figure 3. *Springfield Store*



Source: (Idearium, 2024). Taken from: <https://www.idearium.es/10-mejores-campanas-ia-sector-moda/>

3.2.1. Establishment of an AI Base.

The beginning of luxury fashion's infusion of artificial intelligence (IA) begins with the collection and storage of relevant data regarding the preferences and behaviors of clients. In their winterwear collection, The North Face has used AI in its *Vênsette* campaign to personalize clients shopping experience by gathering information about clients tastes and the climatic condition of the cities they live in, setting a new standard in customer experience personalization (Idearium, 2024).

Tommy Hilfiger launched Fashion Verse, first platform coupling fashion and gaming where users can design outfits together and compete in challenges. Fashion Verse has a variety of models with different sizes, ethnicity but with and without any limitation, a

specialization in the virtual world (Idearium, 2024). In addition, Etro used AI for its spring/summer campaign 2024 creating surrealistic landscapes and human bodies; the visual trend is evident and can show through to designs going against traditions (Idearium, 2024).

Building the knowledge-based and knowledge-centric software infrastructure is more than just hiring data-science experts; high-end fashion houses need to invest in complementary knowledge skills, such as software engineering expertise. This knowledge-centric approach helps them take full advantages of the AI techniques that lead to decision-making and operational efficiencies. On the other hand, cultural orientation towards AI means a cultural transformation within the luxury-fashion firms, where continuous improvement, data-based knowledge and cross-functional collaboration helps them foster agility and responsiveness to develop offerings better aligned to the changing preferences of the customers. Moreover, the incentivization and training toward AI also fosters cultural evolution that helps gain employees' buy-in and encourages agile organizational response. The fostering of innovation-led culture, therefore, spurs these brands ready for transformation and evolution that help them adapt to a rapidly changing market dynamics and customers' demands. Finally, the balance between man-machine way of doing marks the right spot for these firms to foster human-centric brands where human-centric decisions are taken both intellectually and creatively and that helps them create deep and everlasting brand experiences.

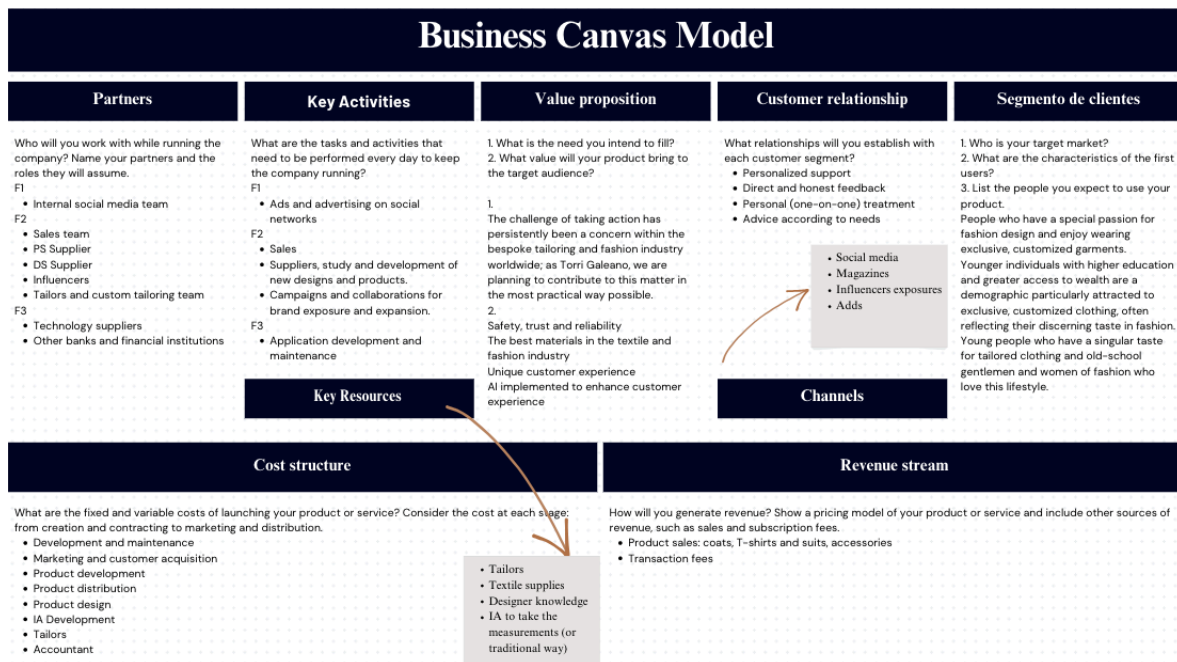
Looking ahead, the training of AI in marketing foretells profound implications for the luxury fashion sector, including greater involvement for customers and enriched employee experiences. While navigating through complex technological integration, compliance with regulation and cultural transformation, fashion luxury brands might set an example as innovators and sophisticates of AI-driven ecosystems. With a skillful execution of the AI

capabilities along with the human ingenuity, these brands might be foraging for long-lasting connections with a fastidious clientele, maintaining its legacy of excellence and refinement.

3.3. Business Model

To analyze the approach for Torri Galeano as clothing brand, we have decided to use the Model, but rather contemplated as a key strategic management tool: The Business Model Canvas (abbreviated BMC). This choice will allow to present the main features of the business with more clarity, precision and dynamic, helping to understand its creation and development model. The BMC offers us a criteria for operational systematization, allowing identify and visualize the main elements of Torri Galeano brand's business model, as well as facilitate a thorough assessment of all its components, making strategic decisions easier.

Figure 4. Business Model Canvas Torri Galeano



Source: Own elaboration

A key asset of the firm. Internal social media team (F1) – in charge of the online presence and community work; sales team (F2) – dedicated to boosting income and client

capture; suppliers – both of raw materials (PS) and of distribution (DS) -; opinion leaders – to enlarge the reach and visibility of our brand and tailors (F3) – professional custom-made fashion specialists; manufacturers of technology, to develop and maintain the application, finance institutions for banking and financial services. Taken together, these actors regulate the production process of Torri Galeano's operations, providing a comprehensive perspective of product development, marketing, sales and after-sales services.

As for the key activities, Torri Galeano will have to perform several daily tasks to keep the commercial operations running. This include advertise and advertise on social media (F1); effort made for selling's to stimulate sales and growth (F2); help to provide supplies of materials and the co-design and creation of new designs and products and perform of campaigns and collaborations as exposure of the brand and expansion of the market (F2). Also, as a company we will need to invest in the continuous development and maintenance of AI to improve the customer's experience, boost the operations performance and product delivery logistics processes (F3). As such the task key, Torri Galeano continues to be proactive when it comes to the market need, innovation stimulation and promoting the sustainable growth on the luxury fashion sector.

Torri Galeano's goal is to tackle the ongoing challenge of obtaining precise body measurements in order to develop the best tailored clothing and fashion items in the world, creating a focus based on a utilitarian pragmatic aspect that aims to rationalize and improve those customized measures, as it provides a guarantee about their precision and pertinence. Its office gives a package of value to its target public by maintaining the security and confidence while getting dressed, supported by a professional tailoring process, with the use of the best textile items available in textile and fashion industry.

The added value of intelligence gains will be multifaceted within the organization. Firstly, the AI's ability to craft unique and creative designs, tailored to consumer preferences and trends, will allow for differentiated products on the market giving a significant difference to current competition. Moreover, the AI will also be employed to create effective and accurate pattern-making of clothing, making it possible for people to visualize how a certain garment would look on them before buying the clothes. This will alleviate the lack of confidence from consumers and improve the overall online shopping experience, proving to be extremely valuable in a market with such little prevalence of this kind of technology.

In short, the integration of artificial intelligence into fashion design and production cycle will give Torri Galeano an added value by providing highly customized designs, specifically tailored to consumer's interests and needs. This will encourage competition among companies that will be active in fashion sector where these types of innovation will be scarce and thus it will ensure company competitiveness in the fashion market.

Furthermore, TG wants to distinguish itself by providing a tailor feel experience to client, characterized by personalized assistance with direct and sincere feedback, working all together to bring the maximum benefit for our customers. By implementing AI in our development process, we aim to enhance the customer experience, making it more fluid, highly effective, and highly efficient. Moreover, the relation between us and client will be established stating our personalized clientele with each segment of our diversified clients, offering the tailor-made accompaniment with our clients, providing the orientation and advising when necessary, actively kept the feedback with the client to improve for our service continuously.

Our target market is composed of passionate lovers of fashion design and appreciators of exclusive and personalized garments; among our customers we recognize young people

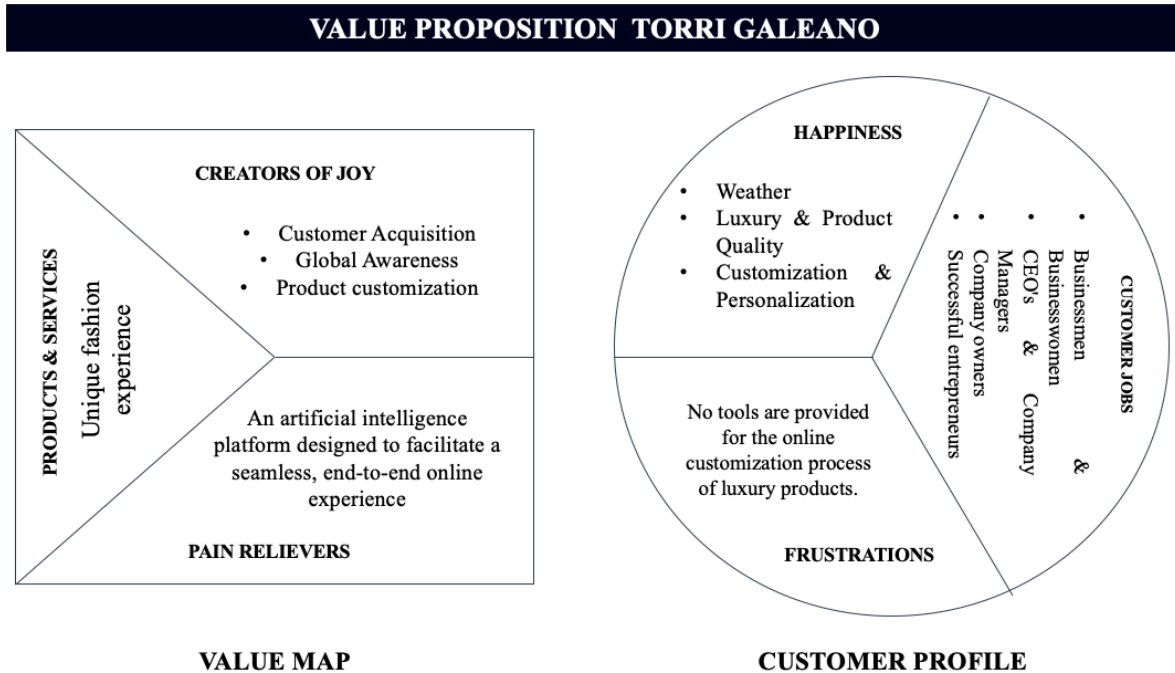
with high revenues, along directors, CEO's and owners of companies, who are attracted to our offer because they are characterized by a selective taste and exclusivity. These kinds of people appreciate very much the tailor-made garments and related lifestyle Torri Galeano's mission is directed to these customers segments so as to develop solid and long-lasting relationships, promising to represent a value and satisfaction in the luxury fashion world.

As well, TG has an extensive set of resources to support its operations and provide customers with high-quality products and services. These include qualified tailors who provide experience and craftsmanship in creating custom outfits, a stable supply of high-quality cloth textiles from suppliers and designers who, together with the artificial intelligence technology, will guarantee innovative and attractive design. And focusing on technology development, we could provide the human of measurement procedure, which offers customers different options regarding the modernism we are living on. As for the distribution channel, TG will utilize social networks and influencers' show to reach our target customer in an effective manner. Through efforts in marketing, we could shed light on the brand Torri Galeano and drive sales.

To launch the TG products and run the business there will be fixed and variable costs every step of the way, including costs such as development and maintenance, marketing and user capture, product development, distribution, product design, develop AI, hiring of qualified tailors and accounting services.

Disregarding the all-previous model, in order to raise income, Torri Galeano responded to a confection-and-sales model business, creating a collection of clothes from dresses to, coats, shirts and suits.

Figure 5. Value proposition Torri Galeano



Source: Own elaboration

In the meantime, the value proposition involves the launch of a new venture in the luxury fashion industry, which is aimed to build value for clients by providing a unique online experience and increasing brand awareness on the global market. An integrated platform will be built using AI techniques which will make a better online shopping experience and help to acquire customers which will allow clients to interact in a fluid manner with the brand.

Plus, we will address concerns that were identified – such as the lack of suitable tools to allow consumers to personalize luxury products online – with solutions to improve the customer experience and strengthen the brand’s position in the marketplace.

Through the concept validation by collecting feedback from our potential customers for that product via interviews and their subsequent sales, it can be proven that there is a great market appeal. Information gathered from four interviews from offline users who bought that product and gave feedback to our team was compiled into four ‘Empathy Maps’ (Detailed in

the SAP strategy). Our strong support emboldens us to take the product up next level, with great use of Machine Learning and combining it with Best of Breed Couture, top of the industry fabrics and materials.

4. Marketing Plan

4.1. Corporate objectives

- Develop a market development strategy for selling high-end clothing worth 4.784 million COP in the first operational year of TG.
- In 10 years, position TG as one of the leading brands in the world of luxury fashion on a national and international level, and famous for its quality, creativity and innovation at its design and personalization processes.
- With product development in an early stage, to start in the first year of TG implement the AI solutions to the design, customer experience and production process optimization efficiency and quality of products, faster response to market trends and consumer preferences.
- Scale the global brand via the identification of new markets, and reach new scale via store expansion or long-term strategic partnerships with key distribution channels.

4.2. Market situational analysis

For this stage of the project marketing plan definition, some parts of the structure owned by Lina María Echeverry Cañas articulated in her book “Strategic Marketing Plan” will serve as a base so that, as a basis for the marketing plan, a situational market analysis will be made in order to understand the opportunities, market trends and the value proposition value of TG.

4.2.1. Context.

According to Mordor Intelligence's luxury market research, the global market size is estimated to be \$110.13 billion dollars for the year 2024, and it is predicted to grow at a compound annual growth rate (CAGR) of 6.56% having a global market size of \$151.3 billion dollars, for the year 2029 (Luxury Apparel Market Size, 2024). On average, 30% of this global market size is on luxury personal wear (Competitor Strategies in Luxury Goods, 2024). So, this gives a glimpse of stable growth participating with the trend of the millennial generation, now in search of aspirational products that maintain the requirements of comfort, prestige and natural products in clothes (Global Data, 2022). Because, according to the Euromonitor report on Trends on the designer wear for literally clothing and footwear in 2018, these generations (millennials) form 40% of the population engaged in the consumption of designer wear, and aspire to have more stable income in the future who are said are ready to pay more for a piece of wear and accessories if these fulfil the requirement of quality and durability and are also comfortable (Euromonitor International, 2023).

According to Euromonitor Luxury Goods Market in LATAM had a growth in percentage of 7% taking in consideration that year 2022 reaching sales of \$27.35 billion dollars and for 2023 expects to close off with sales of \$29.49 billion dollars (2024); and taking this info to the Designer clothing segment it shows evidenced growth but for 2023 expecting growth instead of 2022 of 9% that is 2023 in sales of \$3.65 billion dollars, Mexico is the leader in the region with a 12% growth for 2023 and sales in 2022 for \$14 billion dollars (Real Estate, 2023).

On the other hand, for Colombia, the upward trend remains. Together with Peru is one of the countries that will experience the greater growth (2022) – according to the report of Luxury Apparel Market Size 2020 – 2025 by Global Data, based on the amount spent on

the Colombian household (as of 2023) being \$1.02 billion COP, of which 32,1 went to fashion, according data from RADDAR (2024) it represented a growth of 6,5 per cent regarding growth of size of the market from 2022 to that year , of which 50 per cent this represents the category of clothing (Portafolio, 2023) and 45 per cent, gentlemen style (Portafolio, 2022), that are acquiring the 70 per cent of the purchase of the luxury tern inside the shops of Colombia, most of them are men from the largest cities of the country (Fashion Network, 2018). That is why we aim to reach a market size of 16.05 billion COP in the Colombian men's clothing industry.

The inflation closed in 2023 with a rate of 9.28% and the slowdown of the Colombian economy that continues to fall since the first quarter of 2023. Meaning that 2023 closure will have had an average range between 0,9% and 1,2% where, for the category of garments and textiles, there is shown a variation in sales of -5,9% (Presidency of the Republic of Colombia, 2024).

In commercial terms, Colombia has trade agreements with the countries of origin of the raw material such as United Kingdom, Italy and Peru; these are the Economic Interest Grouping Agreement and Free Trade Agreement between the European Union and Colombia and between the European Union and Peru, both signed in 2012, and entered into force in June 201; for the UK 's exit from the EU, Colombia negotiated to maintain the commercial conditions. The reason is that these trade agreements facilitate the trade without barrier of goods or services, along with preferential tariffs and phytosanitary for development of the international trade, which continues to enjoy good relations (Ministerio de Comercio, Industria y Turismo, 2023).

4.2.2. Customers.

The need to understand purchase and consumption behaviors in the segment to be captured, so that, starting from the base of behavior, taste towards the desire for luxury aspires very high and began to see this need as an investment in themselves changing from considering luxury as a 'to have it', to a 'to be', which is, that it represents them and goes along with their values, as reported by the Euromonitor International global trends survey (2017) and the Voice of the consumer: Sustainability (2023). Previous comment addresses a concern for exclusivity, authenticity, quality and status that a garment may provide and becomes a need that goes beyond the minimum, since it has a perception of the clothing garment as a means that is going to give him some form of status and recognition in society, wanting as well acceptance and prestige by social groups to which it wants to belong or for which to remain part of (Fernández Prada, 2014).

As a result, personalization is a better valued experience based on a research article published 2023 by Twilio Segment who conducted a survey to 3001 consumers which translates into 56% of consumers becoming frequent buyers after a customized experience (2023). Following the same lines of comparative analysis, TG conducts an interview to clients of this segment as reported in (Appendix 2) as outcome of personalization experiences related with the fashion industry; results in the chapter of personalization are 3 out of 4 desires to purchase a luxury wardrobe, given that this puts exclusivity or in their words “What I like the most is choosing the pattern, color and sizes”. With that in mind, the suppliers may analyse fashion consumers, and as high-fashion consumers have high purchasing power, their market contribution is approximately 54 million adults worldwide with net wealth of over \$1 million and a global growth of 7% over 2022 (Euromonitor International, 2024); and the countries with the highest growth of this population are represented by Mexico and

Ukraine and in Colombia it is no secret that the 1% richest people in the country have a wealth of \$230.000 million dollars as seen by The Oxford Committee for Famine Relief (Oxfam) against Hunger in 2023 (La República, 2023) , and that people whose income is greater than \$8 million COP per household represent 2% of the population and are considered high society according to an interview given by Luis Carlos Reyes, director of the fiscal monitoring of the Universidad Javeriana, in 2019 to the Portafolio Magazine (2019).

Along with the customers analysis, according to Valora Analitik, one of the generations with the highest demand for luxury fashion are millennials and this is a growing trend, as they are reaching a very interesting market, because they don't have responsibilities with children, so they pay more for a dress in a luxury brand, in addition to that they prioritize modernity and distinction (2022).

That is the reason why fashion industry is paying great attention to this generation; as Bain & Company consulting firm forecast, sales in luxury fashion could triple as higher spend in Z (or even in later generations such as the Alphas) is expected due to a social trend towards entering luxury segment 5 years earlier than the millennials (El Espectador, 2023).

In addition to that, the Z (Millennials), are the ones who push the brands to tell stories, to be different, to know how to connect and to have a purpose, so networks of contact with them are the voice-to-voice platforms (for example, Tik Tok, because 60% of this generation is present on Tik Tok, according to the Euromonitor Lifestyle survey (2023), in addition to Instagram as a social network and also used by the youngsters, the luxury brands have been planning the strategy of digitalization of brands around micro-influencers, who in turn have only the target of the brand as their audience, since if the luxury brand is exclusive to its audience, they cannot afford to lose the same.

With this, we also understand the emotional need of the luxury consumer who is looking for moments of joy and happiness as a means of escape from the pressure with which they live, hence the need for brands talking to this segment also need to generate emotional connection and space of distraction in digital and physical way, so the technological advances in AI are needed today to improve customer experience, hyper-personalized and innovate ways of communicating with this consumer segment, as reflected in the survey: Voice of the Industry Digital (Euromonitor International, 2023).

However, Colombian fashion-conscious consumers, according to the Consumer Track Moda by the company RADDAR, are ranked into three types: apprentices, initiates and experts. For apprentices the growth was 50% versus 2022 to reach 63% consumers who are in the early learning and trying on new trends, materials and clothing (2024): “But it is possible that they do not have much experience in the category but they want to gamble, and this is reflected in the consumer or consumer that wants to have experiences, that wants to learn, understand, share, that is in a process of learning” (RADDAR, 2024), reason for which, the value-hunter shopper for the industry represented an average of 24.3% that with respect to 2018 there was an increase of 23,1 percentage points less participation from the hunter of sales and opportunities. What also makes the analysis understand why these buys, where in 2023 the 11.45% buy for quality, 33,72% for taste, 34.6% out of necessity, and almost 1% for fashion.

4.2.3. Competition.

Currently, the luxury fashion market in Colombia represents an increase in exhibition and purchase of luxury products, so new brands and designers are emerging, and due to this fact, the level of the market attracts new opportunities for the Colombian consumer, as it's shown by the arrival of brands such as Malva or Farfetch (Online Y offline luxury stores of

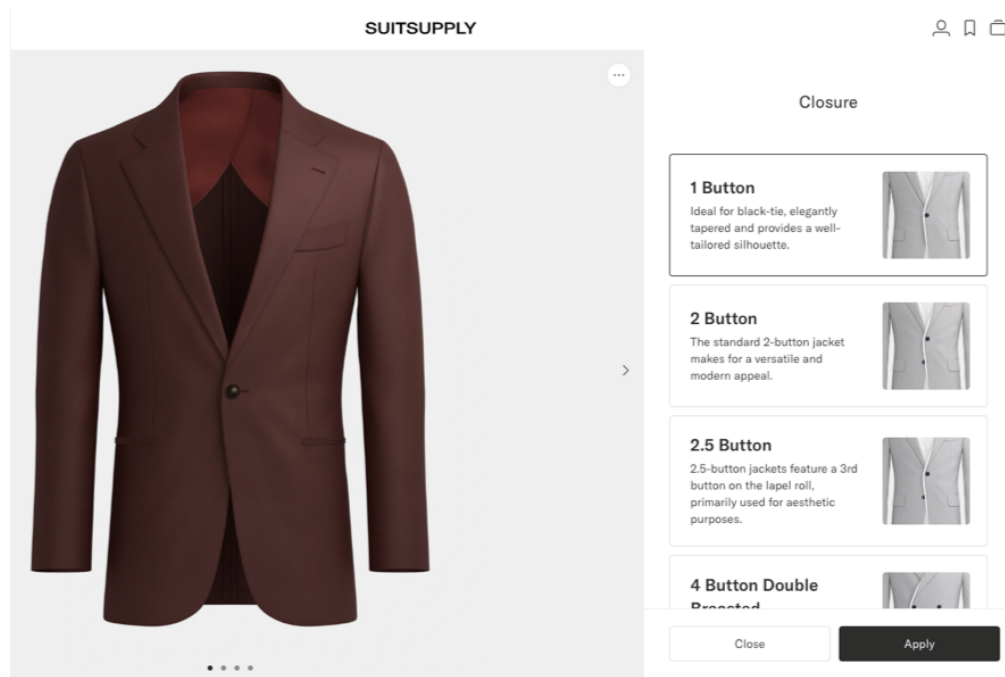
national and international brands), Faces (Luxury retailer of make-up), amongst others, and the most sought after are: Gucci, Dolce Gabbana, Valentino, Garavani, Saint Laurent, Versace, Off-White, Balmain, Alexander McQueen, Balenciaga and Jacquemus (Portafolio, 2023).

In face of the above, we note that the competition for Torri Galeano is high, since there are many international brands already established in the world as fashion trading houses and specifically in respect to the current segment of tailor-made apparel in TG at the level in the colony, we find some brands:

- Marsanti: it's the most exclusive tailor in Colombia with a service of 'clothes to measure and suits' created in 1993, with a "large portfolio of accessories with ties, belts, stockings, kerchiefs and shoes" (Marsanti, 2024), advertised with tie and proper wear of clients with business people, politicians among others; a client who sells them on the site and in stores fabricates consultations with the client and measures pressure of five-day delivery (on average) to Colombia and extra cost (2024). Itself has exclusivity to fabric Scabal, a prestigious fabric manufacturer.
- Le Collezioni: Colombian company with more than 23 years of experience designing and manufacturing a wide arrange of clothes and handbags from different high-end brands from nationals and internationals companies so that gives them some freedom when is about to design clothes from every day casual style to high couture out fissures (Le collezioni, 2024). They have an online store selling clothes from seriously producent and they use influencers to promote it, and also, they have a brick-and-mortar store for making custom style.

- Carlos Nieto: One of the oldest brands in the men's fashion market in Colombia, who seeks to reflect a lifestyle and be the symbol of elegance, with their products, which according to their communication statements have "the fabrics of the best European houses (Italy, England and Spain)" (Carlos Nieto, 2024) and whose main signature is the experience service called Sartorial, which is a bespoke (tailor) service that can be experienced in any of his shops.
- SuitSupply: It is a clothing company that it offers the SuitSupply experience in your proposal for Colombia is considered as the most complete tailoring program (Suitsupply, 2024) with more than 750 Italian fabrics to choose, the advice from the experts and the finishing in the suit, for other markets such as Spain or United Kingdom has an online platform that allows you to create the garment starting from the fabric, buttons choice, collar, sleeve, high, pleats and more, which are reflected in the dummies (Figure 4) and its price, this process is finalized with measurements, which can be with general short sizes or with expert typical measurements either online or physically at a point.

Figure 4. SuitSupply online platform



Source: Taken from SuitSupply website, 2024, www.suitsupply.com.

- Ricardo Pava: One of the most luxury men's fast-fashion creator brands in Colombia, with more than 30 years of design and innovation experience from our founder, the designer, with his ready to wear and Bespoke model, in all physical stores where his presence is given by word of mouth, appearance on major world-class catwalks and social networks.

Now, to analyze your fitness alongside the competitors in more detail, we will make a comparison of the value propositions of the previous competitors, considering the variables that the segment values the most.

These variables came out of a market study conducted on 60 individuals, hop under the questionnaire model (Appendix 2) from whom were collected information on the key tips of success for a clothing brand premium.

- Expertise: means that the tailor and/or expert who accompanies the process have a full knowledge of the materials, trends and morphology of the body.
- Times of delivery: providing fast delivery times, from one-day delivery up to maximum two weeks.
- Quality of textiles: to include in his portfolio the best-quality fabrics and imported from Italy and the UK.
- Unique design: having clothes that are unique in the world, so that no item of clothing is shaped like it.
- Process of measurement: This variable concerns the speed of measurements, in terms of the time customers have, juggling a hectic lifestyle, for example when travelling or before deciding to order the final garment.

Based on this, competition is measured to ensure Colombian customer needs are fulfilled: With all of this, we can see that competition is measured to make sure Colombian customer needs are being met:

Table 1. Evaluation of competitors in Colombia

	TG	Marsanti	Le Collezioni	Carlos Nieto	SuitSupply	Ricardo Pava
Tailor's expertise	X	X	X	X	X	X
Minimum 2 weeks for delivery	X	X	X	X		
Quality of materials	X	X	X	X	X	X
Exclusive design	X	X		X	X	X
Measurement process	X					

Source: Own elaboration

In addition to evaluate the competitors worldwide:

Table 2. Evaluation of competitors in the world

	TG	Ralph Lauren	Cesare Attolini	Stafone Ricci	Tailorman	Brioni
Tailor's expertise	X	X	X	X	X	X
Minimum 2 weeks for delivery	X		X			
Quality of materials	X	X	X	X	X	X
Exclusive design	X	X	X	X	X	X
Measurement process	X				-	

Source: Own elaboration

With this review of competitors for the project, a first visualization is given that TG's value proposition gives a competitive advantage in Colombia, since in the country the closest model to what it proposes is not present: AI for taking measurements along with its customization platform with Chatbot trained to the customer's need allows it to provide the customer with a novel and agile shopping experience, without neglecting the benefits of the experience of advice by online experts, who with their expertise will help you that all your expectations are met in the final garment, since of the pains perceived in the survey conducted by TG, around the functionality of online customization were: The fear that the garment will not look as expected because of not knowing how to choose materials, not being at the forefront of fashion or not being able to see a render of the product before production, so the advisory will guide customers on these issues from the use of the tool to knowledge in fashion and tailoring.

With the understanding of the competitors, the analysis of the level of competition is complemented, taking as a basis the concept developed by Michael Porter of the five forces, so that the barriers to entry, the power of suppliers, the power of buyers and the threat of substitutes will be studied in depth.

As for the barriers to entry, we identify the high level of investment, tradition and recognition of the positioned brands, qualified personnel for garment design and access to imported raw materials:

- Tradition and recognition of the positioned brands: one of the reasons for buying luxury is the status that the garments provide to its consumers, so entering new to an industry where brands have a high luxury brand positioning and a long history which lies in a high barrier, as a non-recognized brand will not provide the sense of social prestige expected in a garment.
- Qualified personnel: Tailoring is an art that takes many years to learn and that currently the market for this business compared to the ready to wear model is reduced, so that the population really expert in this art has been reduced and the new generations are not interested in it (Revista GQ, 2023), which puts a medium barrier, in view of the fact that it is necessary to have experts in the team or otherwise train new ones, which implies a higher cost; This is a higher cost, which for the luxury segment in made-to-measure garments would have to be taken into account, since according to TG's survey, tailoring is valued by 57% of those surveyed, due to the importance of knowing about the materials of the final garment, design, service and taking measurements.
- Access to raw materials: the fabrics used in luxury garments are usually of the highest quality and have exclusivity contracts with brands by country or region, so achieving direct negotiations with suppliers is complex and achieving exclusivity is also complex, as it requires high volumes of purchases.

- High level of investment: a key part for the success of a luxury brand is the customer experience, quality raw materials and positioning, which represents arduous efforts in knowing the consumer, developing an experience really perceived as luxury and therefore, a high initial capital to have a broad portfolio of fabrics and qualified tailors, a strong and well-produced communication strategy execution, points of sale in exclusive areas of the cities, among others.

Regarding the power of suppliers, it is clear that in case of not having an exclusivity contract, the risk that the supplier may sell the same thing to other customers is high, which represents a threat to the exclusivity provided by the brand; additionally, since the highest quality of fabrics is required, a change in quality endangers the reputation of the brand, as well as a change in the supply chain that implies a shortage of fabrics, limits the supply of TG and the possibilities of having a variety of fabrics. Another important aspect to consider is the vertical integration strategy that suppliers can implement, since by having the raw material they could have the capacity to develop a diversification of the business, starting to manufacture; however, the latter is seen as a low level of power due to the entry barriers of recognition and trajectory, so with the aforementioned, the power of suppliers for this industry is defined as medium.

Now, in Michael Porter's third force: The power of buyers in the industry is defined as a medium force, since the quality and experience demand that buyers demand can and must be covered 100%, and the industry Luxury is a business for select clients and lowering standards of quality and experience could put business continuity at risk, since clients may migrate to other tailoring brands or mass-produced luxury brands.

4.3. SAP strategies

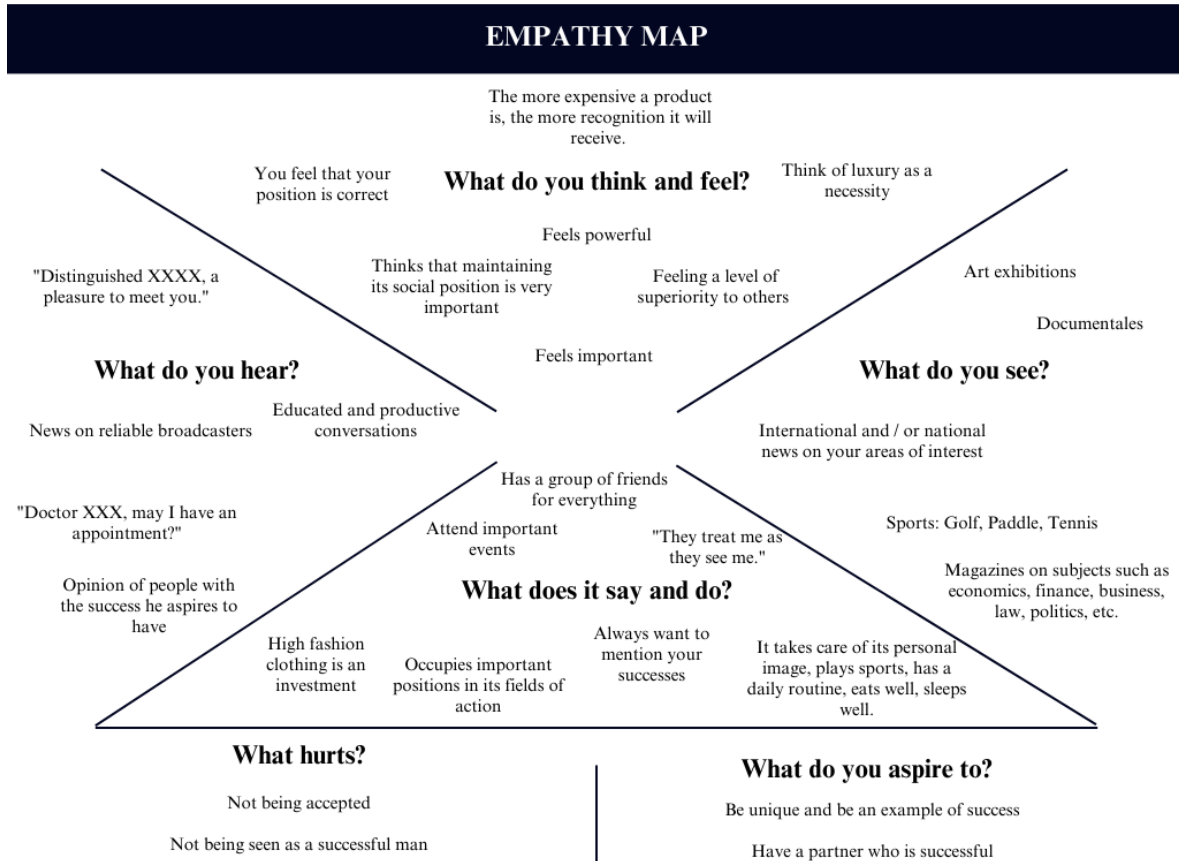
The SAP strategy refers to segmentation, audience and positioning strategies, which allow decision making by having coherence among the three:

4.3.1. Segmentation Strategies.

For Torri Galeano, will seek to capture customers who consume luxury clothing for men and women who value fashion, innovation, quality and exclusivity, since 78% of respondents (60 surveyed by TG) in TG value these characteristics, being an attractive demand so having in this segment few competitors that compete with AI in their value propositions, and the target audience demands a high level of personalization (Echeverri Cañas, 2023, p. 55), the segmentation strategy will be micromarketing, where relationship marketing will play an important role, in order to seek connection with TG's target audience and exclusivity.

4.3.2. Audience Strategy.

Torri Galeano, being a luxury brand, has a select group of customers who value the benefits of the generation chain of our venture, which starts from a personalized service and tailoring of garments to the closing with a sense of prestige for the use of TG items. That is why our initial target audience will be men between 30 and 60 years of age who value luxury and high-quality products, with a high purchasing power - income above 10 minimum monthly salaries -, and with the following characteristics that we will understand through the Empathy Map tool:

Figure 5. *Empathy Map*

Source: Own elaboration

In this we can see the profile of a person who stands out or aspires to be in important or powerful positions in the field in which they work, where the opinion of others plays a key role so they value the image, and that this reflects their success and status in society, because they consider that they treat you as they see you so exclusivity is essential to feel important, unique and powerful.

For this reason, their recurring spaces are companies, offices, clubs, sporting events, VIP lounges at airports, haute cuisine restaurants, exhibitions, conferences, among other places where there are demonstrations of having economic resources.

Additionally, it has been evidenced in fieldwork with potential TG customers that customers are strongly influenced by fashion trends and are active on various platforms such as social networks, fashion magazines and exclusive events.

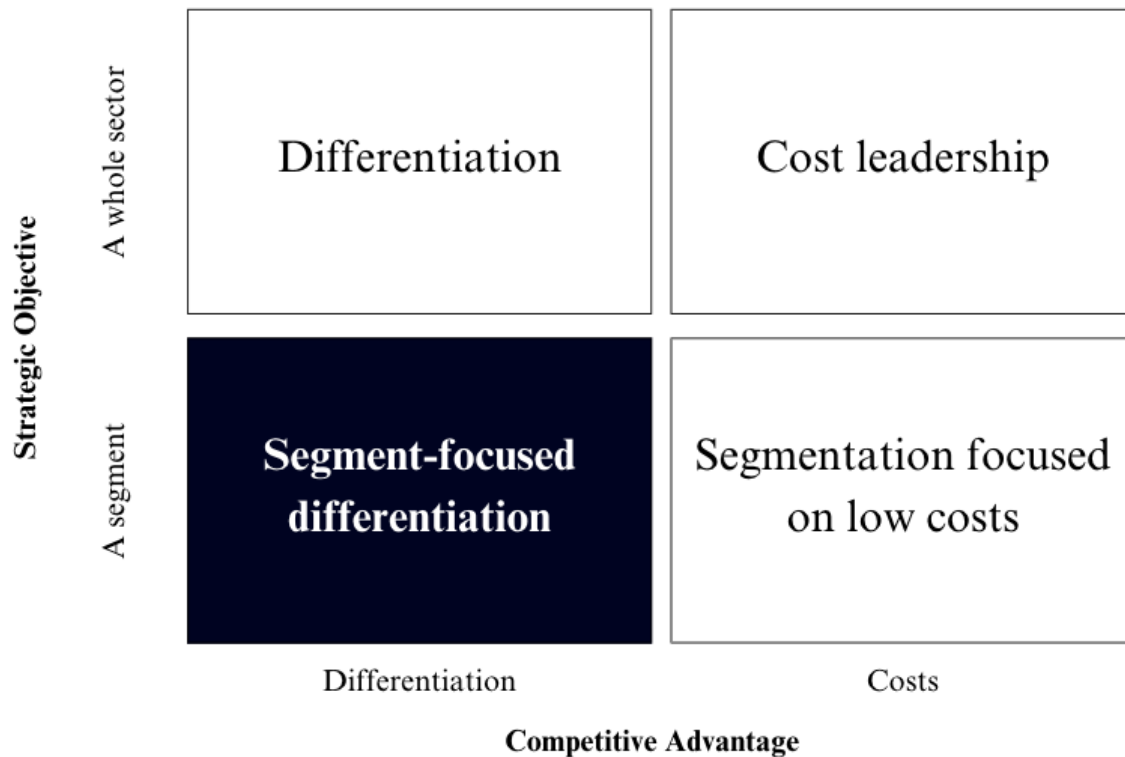
Torri Galeano's user profile is characterized by elegance and extroversion, showing an innate taste for fashion. They are cheerful and happy people, passionate about shopping and who value the opportunity to challenge stereotypes and boundaries through the quality and exclusivity of clothing, which is their greatest attraction. In addition, they are in constant search of innovative brands that give them distinction, sophistication and status. They are characterized as customers who value innovation in design, craftsmanship and personalized shopping experiences in both service and product.

4.3.3. Positioning Strategy.

Torri Galeano's market positioning will be based on the theory developed by Michael Porter in his book *Competitive Advantage: Creating and Sustaining Superior Performance*, which describes that a company, to the extent that it has defined its strategic positioning, will be able to develop a competitive advantage, which according to the author is a business characteristic that is difficult to imitate, sustainable over time, superior to the competition and profitably superior to the industry average (1985).

In this way, he mentions two types of competitive advantages: Cost Leadership or Differentiation, so for the case of TG the following matrix is made, which determines the quadrant in which the positioning of the business will be defined, because it shows what type of competitive advantage we select and based on our target audience what will be the positioning:

Figure 6. *TG's market positioning matrix*



Source: Own elaboration

Torri Galeano, as a newcomer to the luxury fashion market, stands out for its dedication to high fashion, quality and service, leveraging technology to redefine the Bespoke technique. Its strategy focuses on a specific segment by providing perceived exclusivity and distinctive benefits through the use of AI tool for measurement compared to other alternatives. As a result, Torri Galeano will implement a differentiation strategy focused on this segment.

4.4. Branding strategy

In order to have clarity in the rules and guidelines of “how, what, where, when and to whom messages are addressed” (Echeverri Cañas, 2023, p. 63), a branding strategy will be developed, which will start from the basis of emotional branding, which seeks to influence

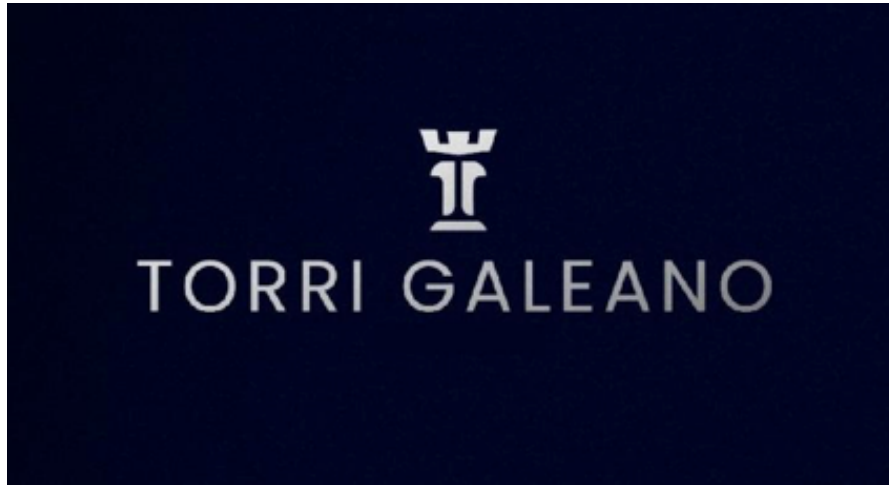
customers' purchasing decisions through persuasion with facts, emotions and authority, where it will convey the reasons why TG is an innovative brand, which in turn takes care of the legacy of the tailors and with its high quality standards certified, manages to be the brand that creates an emotional narrative highlighting inspiring stories of the artisans, the exclusive creation process and the passion for luxury fashion in Colombia. This connects emotionally with consumers and allows them to have a more meaningful experience with the brand.

4.4.1. Brand Identity.

Torri Galeano, will be the way in which the company will be identified, being a short and easy to pronounce name, without trademark risks, since a trademark registration process will be initiated before the SIC (Superintendence of Industry and Commerce), in view that it was not found in its database, equal or similar names, which makes Torri Galeano a seal of the brand; additionally, the use of the abbreviation TG will be allowed, as long as it is accompanied by the brand logo, since the trademark registration will also be made for this.

The logo of the trademark, which is evidenced in the following image, at a semantic level represents the strength of T of Torri, and that, with the visual element crown type, and the shape of the T built by a graphic element that alludes to a garment (Shirt), make up a logo that demonstrates the power, faith and tradition that the brand will provide with its garments to costumers.

Figure 7. *TG logo*



Source: Own elaboration

Furthermore, it's a logo that can be embroidered on clothes: the fact that all TG garments must have the logo is specified in the brand manual (Appendix 1).

Then, we will analyze the brand's colors, since those will be the hex code 000B42's blue shades, black and white - that are a sign of class and sophistication, but also to represent truth, strength, seriousness and confidence. Thus, we will find parts of the logo in white or in blue.

The layout has a line of metal type that is thin on top and gets thicker at the bottom. The Return key resembles that of a can opener, while the red turtle emblazoned on the spacebar makes a reference to its thumb drive. The font is a modified regular geometric Myriad with the finishes leading out in line towards the last stroke, and evokes a sense of sophistication, technology and high-end innovation.

Thus, it is possible to identify the TG by making use of this rule, which is why these applications must always be taken care of in every kind of media, as well as graphic piece or product.

4.4.2. Brand Position.

As a narrative position, the first one TG will have as Branding 2.0, brand-answer to emotional benefit to create an emotional bond with the customer because the question: “How does the brand make me feel?” (Echeverri Cañas, 2023, p. 77) is in the line-of-sight of the performer.

With this, the Torri Galeano manifesto is created:

Every person holds a power that emerges from their core. Torri Galeano serves those who have blazed their own trails, who know that their presence makes a difference, and who believe in what is genuine and beautiful. That’s why we devote ourselves to creating an experience of luxury and innovation that empower the person who chooses to wear a Torri Galeano garment. You have the power to be unique, to shine in all of your moments, to make a real impact on those around you. Let’s explore that power together. Let’s take your style to the utmost peak so that you feel in power at every step.

This manifesto emphasizes the feeling of self-worth, drive and aspiration that TG’s brand wants its customers to experience – and because of this, TG is going to be a power brand, a space of power, something that as far as I know has not been tackled in terms of the category in Colombia.

Additionally, the manifesto provides details of the brand's personality, which is characterized as follows:

- **Sophisticated:** The brand inherently conveys a sophisticated and refined outlook in every aspect of its operation, from design to customer experience.

- **Avant-garde:** The brand is known for being particularly forward-looking and edgy, as well as pioneering in fashion design and luxury clothing, attracting fashion-conscious customers looking to be at the leading edge.
- **Inspiring:** the brand provides customers with the feeling of beauty in its luxury garments, quality and the story behind the creation, creating an emotional, inspirational relationship.
- **Exclusive:** The brand is exclusive and feels one-of-a-kind, with special editions, customization and experiences that make customers feel special and unique.
- **Real:** The brand displays its Colombian origin proudly; it claims to represent Colombia to the world as an authentic exemplar of that country's brand of culture and craftsmanship, so that consumers can have an authentic experience.
- **Empowering:** The brand aims to give its customers the power to showcase their individuality and confidence by wearing its luxury garments, in turn making them feel powerful and confident.

4.4.3. Brand Architecture.

Torri Galeano will be the only brand on which TG's structure will focus at the beginning, so that any type of clothing sold needs to be relabeled with Torri Galeano brand name, assigned as a parent brand, to which all positioning efforts (100 %) will be made, and consequently the Branded house model will be adopted.

A brand architecture will only be proposed in the future when Torri Galeano is able to achieve its positioning goals and By Torri Galeano plays a major role in product diversification for the company.

4.5. Communication strategy and customer experience

To build from this the communicative experience that the customer will have, the communication we will use will depend on the model given by Lina María Echeverri Cañas in his book “Strategic Marketing Plan”, based on the analysis of the need at each of the steps of the process we propose, to finally propose the communication strategy.

Illustrated below (Figure 7) that the very first stage which forms part of the client experience is awareness which depends on the instant when the client starts defining his need (2023, p. 85) so TG should consume this phase by executing tactics to fix that need utilizing social behaviors, digital marketing with principles, influencer marketing and PR.

Figure 8. First stage of the customer experience: Awareness

AWARENESS			
Client action: See TG's guideline with stories of powerful men and their lifestyle.	Customer action: Participate in a social or fashion event	Customer action: Follow successful business, political or personally motivated people on your social networks.	Customer action: Accept an invitation to barbecue at a friend's place, a topic of conversation about suits arrives.
Touchpoints: Advertisement in social networks or publication in magazines.	Touchpoints: Social or industry events	Touchpoints: Sponsor the segment influencer.	Touch points: Voice-to-voice recommendation
Emotion: Interest or curiosity	Emotion: Power that comes with social approval	Emotion: Wanting to look powerful and/or successful.	Emotion: Curiosity
Pain point: Lack of knowledge about TG	Pain point: Not knowing if you are being perceived as powerful and important	Pain point: Advice on defining their style and looking stylish.	Pain point: Not a lot of experience in clothing at friends.
Solution: Include at the beginning of the story, an eye-catching moment where the main character wears a TG garment.	Solution: Conduct interviews for capsule stories of powerful people with TG.	Solution: In content grid, have capsules of TG experts talking about fashion, materials and styles.	Solution: Maintain an accurate customer service model for all customers, so that whoever has the TG experience will recommend it.

Source: Own elaboration

After the customer overcomes the understanding stage, he/she moves on to the consideration stage in which he/she investigates more about the product or service, in order

to analyze offers in the market (2023, p. 86), which is a very important step for TG, since it is the point in which its differentiated value proposal will be demonstrated the most, so it will be handled in the following way:

Figure 9. Second stage of the customer experience: Consideration

CONSIDERATION			
Customer action: Get to know TG website and explore it.	Customer action: Get to know TG website and explore it.	Customer action: Get to know TG website and explore it.	Customer action: Approaches physical point of sale counters
Touch points: Website with AI model for garment customization and measurement taking	Touch points: Website with AI model for garment customization and measurement taking	Touch points: Website with AI model for garment customization and measurement taking	Touch points: Physical store
Emotion: Amazement and curiosity about functionality	Emotion: Amazed and curious about functionality	Emotion: Amazed and curious about functionality	Emotion: Satisfaction with TG staff treatment.
Pain point: Have doubts about the materials to be selected	Pain point: Doesn't believe the AI is taking the right measurements	Pain point: Not sure what is best for her body, skin tone and event.	Pain point: Not used to digital.
Solution: Create a descriptive for each material with the feeling of each one when used, give options for testing materials: TG welcome kit with fabric and color samples, or go to a TG point to test them.	Solution: A video of the whole process of taking measurements is created by the AI, and it will provide a size as a reference for confidence. Example: You are approximately a size M. Also add in the site a part for testimonials.	Solution: You can make a live call with a short waiting time, where an expert will answer all your questions and concerns; or make an appointment for a specific day where the expert will connect to support you.	Solution: The TG protocol is followed, and during the process, a TG platform management simulation is done so that she can obtain more garments by this means.

Source: Own elaboration

In this stage, the communication strategy includes a visual merchandising for the point of sale, which will focus on recreating the process of creating a tailoring garment with AI platform simulators, who will take the measurements for the garment to be developed. In addition to having a clear protocol for the personal sales process.

As for the website, there is a clear map of what TG will provide in the pains of the customer experience of the tool, which were evidenced in the survey conducted to our target about the project proposal, so that before these solutions such as welcome kit with samples,

Chatbot, online advice, additional features to AI and short waiting times for attention are proposed.

Now, in the purchase stage, direct sales as a direct marketing strategy becomes important, as well as the variables of success in the tailoring segment such as delivery time.

Figure 10. Third stage of the customer experience: Sales

SALE			
Customer action: You make the selection on the platform of your customized garment.	Customer action: You make the selection on the platform of your customized garment.	Customer action: You will choose your payment method	Customer action: Performs the protocol of taking measurements and personalization at the physical point.
Touch points: Online shopping	Touch points: Online shopping	Touch points: Payment options	Touch points: TG experts
Emotion: Uncertainty	Emotion: Sense of urgency	Emotion:	Emotion: Having the attention of salespeople
Pain point: Don't know the value of the garment	Pain point: Need the garment for a specific time frame	Pain point: Not having several payment options.	Pain point: Feeling like just another customer, not feeling important.
Solution: During the selection process each selected item will total a price at the bottom of the web page.	Solution: During the garment design process, the estimated delivery times will appear, in case you need it earlier, there will be a service with additional cost.	Solution: Manage an integrated payment platform that receives all types of credit and debit cards.	Solution: TG protocol includes delivery of beverage of choice, personalized attention from a consultant during visit, private space for taking measurements and choice of materials, music of customer's preference and delivery of welcome kit.

Source: Own elaboration

Following this, the fourth stage is retention, where again public relations, digital marketing, and sales promotion strategies come into play:

Figure 11. Fourth stage of the customer experience: Retention

RETENTION		
Customer action: Seek more value experiences	Customer action: Seek more value experiences	Customer action: Browse social networks and find your process
Touch points: TG Profit Club	Touch points: Post-sales contact for invitation to TG event	Touch points: Social networks and email
Emotion: Expectation for new experiences.	Emotion: Joy of belonging to the high society	Emotion: Validate your status
Pain point: Wants to have more luxury garments or experiences	Pain point: Having little time or not being in the country	Pain point: See that the brand he used generates a need for self-fulfillment in others.
Solution: The customer will be linked to the TG experience circle where he/she will have access to important events with speakers, writers or artists.	Solution: Have two or three options of events in key places according to customer's knowledge, to invite them to share with each other.	Solution: Implement a strategy to recreate the design process of the customer's garment and share it on social networks so that they can see that they are giving exposure to the garment they are wearing and that it is unique.

Source: Own elaboration

With this, the communication strategy to be implemented together with Torri Galeano's customer experience map is defined.

4.6. Price strategy

For a brand like TG, where the price variable is not a purchase deciding factor when other aspects are valued, the strategy to be implemented will be pricing based on perceived value, since the customer is willing to pay more to obtain a good or service that provides a different experience, as is the case of TG, which is part of the luxury industry with a unique platform in the country for taking measurements and customizing garments.

Therefore, it is possible to present that TG's prices for each of the garments, will range between:

Table 3. Price comparison

	<i>Prices COP</i>			
	Suit Dress	Jacket	Shirt	Coat
TG	\$ 3.000.000	\$ 1.400.000	\$ 400.000	\$ 2.500.000
Zegna	\$ 13.000.000	\$ 7.000.000	\$ 1.500.000	
Ferragama			\$ 2.800.000	
Boggi	\$ 3.940.000			
SuitSupply	\$ 3.000.000	\$ 2.500.000	\$ 500.000	\$ 3.000.000
Napoleone	\$ 5.000.000	\$ 2.500.000	\$ 280.000	\$ 3.000.000
Enrique Roja	3.5 M - 18 M	\$ 3.000.000		
Marsanti	5 M - 18 M	\$ 3.500.000	\$ 500.000	

Source: Own elaboration

These prices allowed to enhance the quality of exclusivity image and quality.

4.7. Distribution strategy

The delivery of value of the company will be in a direct sales start between TG and customers, in such a way that the TG promise is guaranteed in all cross-cutting processes, additionally, there will be a width of the exclusive physical distribution channel, which is defined as few points of sale in very specific areas of the territory (Echeverri Cañas, 2023, p. 101). And for e-commerce, a B2C (Business to consumer) model will be managed where customers will have 24/7 access to all products and the customization of these will be done through the implementation of Artificial Intelligence (AI) which will allow them to take the measures, and additionally to give the design touch of their preference.

Regarding the offline channel, the sales team will be composed of expert fashion consultants who will be available to advise customers through the platform's chatbot, and

social networks, especially Instagram, will also be used as an additional sales and promotion channel.

For the delivery of orders, it will be handled under an ally of delivery services, which will guarantee the arrival of the order in the best conditions, so a resistant packaging of ecological and high-quality material will be developed for optimal delivery.

4.8. Marketing budget

Table 4. *Sales expenses*

Sales expenses	Value in COP	
		Monthly Average
Lease of premises (Experience center)	\$	10.000.000
Fittings and furnishings	\$	2.500.000
Tailoring tools	\$	1.000.000
Services	\$	4.000.000
Salaries	\$	17.000.000
Coworking	\$	5.000.000

Source: Own elaboration

Table 5. *Activities*

Activities	Value in COP											
	January	February	March	April	May	June	July	August	September	October	November	December
Fee Platform and website domain	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000	\$ 4.000.000
Digital Marketing	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000	\$ 15.000.000
Influencers	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000	\$ 10.500.000
Advertising	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000	\$ 4.500.000
Loyalty plan	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000
Salaries Sales Team	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000	\$ 8.000.000
Commissions Sales Team	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000	\$ 5.000.000
BTL	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000	\$ 25.000.000
Tools: AI, APIS, BOTS	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000	\$ 10.000.000
	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000	\$ 72.000.000

Source: Own elaboration

5. Organizational Structure

5.1. Ownership and board

Right from the start of the conception of the company, it was clear that we needed to implement a certain organizational structure that perfectly fit in with the goals and requirements of our venture. After a deep analysis of the available options, we decided to establish ourselves as a Simplified Stock Corporation, also known as SAS (in Spanish, Sociedad por Acciones Simplificadas), based on the provisions of the Law 1258, December 2008, and the Decree 2020, 2009, respectively issued by the Congress of the Republic of Colombia and the Ministry of Commerce, Industry and Tourism. Among other advantages, this decision allows us to reduce the costs of business comparison as it does not require us to hire a statutory auditor in the first stages of the venture. Furthermore, it encompasses a solid legal framework that guarantees the security of the shareholders who can be held responsible only up to the amount of their subscription to the company's capital. Additionally, its inherent flexibility allows us to issue different classes of shares, each with different rights and obligations for their respective shareholders, in the future.

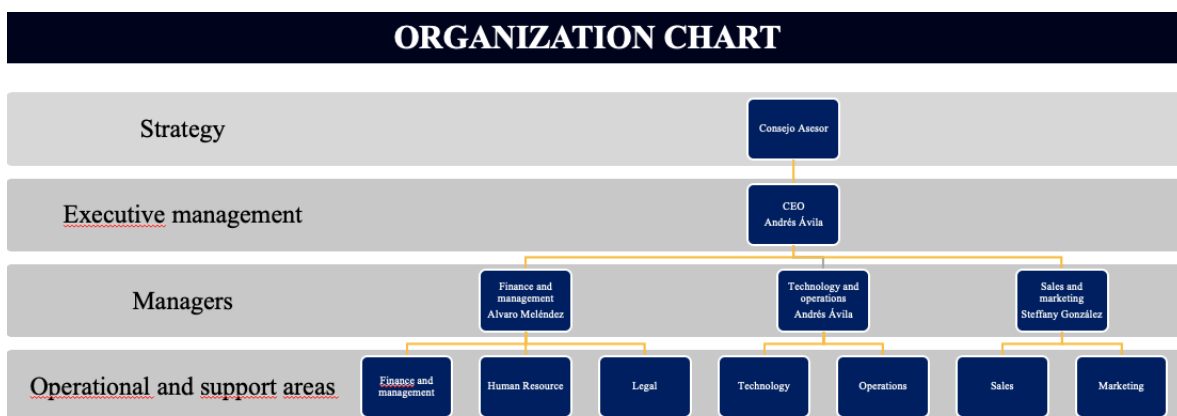
With this in mind, the board of directors of the company called Torri Galeano SAS, will be formed, in its initial phase, by 3 main partners, distributing the share capital of the company as follows: Andrés Ávila with 60% of the shares of the company; Steffany González with a percentage of 20%; and Álvaro Meléndez with the remaining percentage of 20%.

Each member will take specific responsibilities according to their experience, academic background and areas of expertise, all with the goal of maximizing value for the venture. With that goal in mind, we have appointed Andrés Galeano as CEO of the organization thanks to his profound experience in the sector, solid commercial skills and

extensive relationships with key suppliers. Steffany González takes charge of the marketing with product and service development, customer loyalty and brand management; relying on her experience and strategic vision in these areas. In the administration, finances and general strategy, we have Alvaro Meléndez, gaining from his robust academic background in these areas.

It is important to point out that the presented first organizational chart has an operational and functional character, who's each level and role can be subject to changes through the growing process of the business. In the first stage, we will not establish a Board of Directors; however, we will create a consulting board, whose function will be to provide guidance and assist the CEO in decision making. The consulting board will be a key point in the decision-making process for different alternatives when facing any challenges that may arise in decision making in the organization; this will enrich the criteria applied by the top management team as well.

Figure 12. Organizaton Chart



Source: Own elaboration

5.2. Human resources

Regarding human resources, in this initial starting phase, it is very important that roles be allocated with thorough evaluation, according to the configuration of the organizational structure, the active involvement of the partners in multiple operational areas should be considered, with the goal of optimizing financial management and overcoming effectively the challenges inherent to the initial transitory period of any company, known as the 'valley of death'. Andrés Ávila will be the director general or CEO, heading the technology and operations area, including export trade; Steffany González will lead marketing, sales and customer management strategies; and Álvaro Meléndez will head human resources management, legal, financial, administrative and company secretarial functions, contributing significantly to the development of the strategic management of the firm. This roles' assignment is depicted due to the professional experience and the academic achievements that each partner has acquired in each area. Furthermore, it is important to establish in the organizational structure an administrative secretary who should support the transversal aspects of the managerial areas, and third-party service contracts in services such as accounting, human resource management, legal advisory, logistics, technology and storehouse complement contemporary operation efficiency.

In the context of the fashion luxury industry, tailors play an important role as artisans in the production of our garments, providing us with carefully crafted pieces, beautified by their attention to detail, and made from high-quality materials whose workmanship identifies the refinement and sophistication discriminating by our brand Colombian mark. Their experience and their skills turn exclusive fabrics into fashion masterpieces adding value, prestige and exclusiveness to our collections. His craftsman work, coupled with TG's entrepreneurial spirit, allows us to provide the client an exceptional experience and a product

made of exceptional quality, immune to ephemeral trends, so the brand is considered a must-have for those who want to dress elegantly.

Thanks to the company path, it will be possible to create close collaborations with various suppliers that together with the values of TG Quality guarantee to the user the possession of tailor-made high-end garments made with the best materials and exclusive designs.' This commitment will be reinforced by 'Luxury box' and an excellent logistic service, which will allow Torri Galeano's customers to feel 'exclusivity of wearing a garment that will be unique for its elegance combined with a design craftsmanship, combined with a brand known for excellence in the sector.

5.3. Description of partners and/or alliances

One of the main partners of Torri Galeano will be “Iceberg Data” that will take responsibility of the creation of the technological part of the enterprise. The founder of this company, Álvaro Meléndez, is also one of the partners of TG. His influence in TG will be fundamental in the project of the establishment and the strategic form of TG.

Moreover, supply-driven alliances will be important. Our Peruvian, English and Italian fabric suppliers will be part of our operation and will make sure we use the best quality material to make our luxury pieces. Such strategic alliances will ensure that we maintain our standards and keep our products unique.

To support our operations, we will also form partnerships with tailoring workshops, which will offer us their knowledge and experience in producing made-to-measure garments. In addition to helping us maintain the high quality of our products, these workshops will also allow us to offer our customers limited-edition and bespoke pieces to meet the latest fashion trends.

To ensure that our products reach our clients in an efficient and safe manner, nationally and internationally, we will establish partnerships with highly trained and recognized for their efficiency distribution companies.

At a national level, we will work with logistics companies with a large coverage and with proven delivery record.

Internationally, we will work with logistics companies' world renowned and offering fleet tracking, specialized handling of luxury goods and fast shipping options.

These partnerships will allow us to optimize our distribution operations allowing us to ensure that every Torri Galeano piece reach its destination perfectly and in the highest standard of service.

Overall, our project Torri Galeano will take us further and promote a strong network of strategic alliances between production, technicalization and inputs supply, all the way up to confection and product distribution.

All the previous partnerships will be fundamental to acquire a Luxury Brand positioning, assuring the quality of our products and satisfy our customers.

5.4. Legal aspects

For TG: Building a solid legal structure from the beginning is the key to an agile operation and ease of growth later on, especially considering future financing needs, whether with investors, family and friends, angels, incubators or venture capital funds. Hence why the preferential selection here is the "Sociedad por Acciones Simplificadas" (S.A.S) that offers a simple and flexible administrative management, wrapped in a robust legal framework to protect the interests of the company and shareholders. This needs to be registered with the commercial registry whereupon the company name is formalized (in this case Torri Galeano with TG as post-nominal – after verifying the availability and doing the necessary checks in

the “Registro Único Empresarial y Social” (RUES), the only registry in the country to verify companies and non-profits), and all required paperwork done.

As for the economic activity of the company, it will be categorized under the CIU codes 43914 and 4642: minority online retail trade-retail trade in menswear, ladies' outerwear, men's and boys' outerwear, dress materials, dress materials and feathers. The classification of company's activity helps making its activity under a legal, legitimate and defined framework and aids in fulfilling its obligations of tax and regulations.

In the other hand, the process of filing in the DIAN (National Tax and Customs Administration) implies to request both a RUT (Tax registration) and later the NIT (Company identification). The RUT is a key step in the fulfilling obligations of tax and the company's regular running.

In relation to the hiring of staff, TG will comply with the existing labor regulations, such as the registration in the Risk Management System (In Spanish ARL), the respective relevant social security (Health, pensions and compensation funds) and the payment of severances.

The control of these processes will be in charge of an employment lawyer, who will also draft the employment contracts and ensure the fulfilment of all the labor regulations. Besides, clear procedures will be set out for the management of dismissals and interests, which will grant to all employees our utmost attention, comfort and security.

6. Operations

6.1. Web Site

Firstly, it is vital to ensure that a website, in which our online store will be placed, works properly. Everything must be on a website that allows the user to be able to buy online as securely as possible and apply the Artificial Intelligence to enable decisions. We must

differentiate us because it is a site with a perfect user experience be intuitive and free so that the user can buy and navigate in a safe way and with confidence.

Therein you will find this same area, in which you will be able to find options: starting from online measurement service till the virtual catalogue for which you will be able to buy our products.

We will offer a variety of house textiles for the creation of jackets, dresses and T-shirts. The catalogue will be interactive and we will update it constantly with new trends and new collections. Then you will also have a description in details and high graphic quality pictures of our products that will show the details and finishes of the clothes.

There, we are also going to have algorithms-based personalization engine that will recommend products depending on the interests and buying patterns of each individual customer. In addition, with augmented reality, the users will be able to visualize how a piece of cloth will look on them before purchasing it. All of these factors are going to increase the level of satisfaction and will bring down returns.

To ensure the security of online transactions, we will implement advanced encryption and verification technology, and our website will carry security seals certification that assures our customers that their private information will be protected at all times. We will also provide various secure payment options such as, credit cards, bank transfers and digital payment-service.

6.2. Personalization and customer Service

New designs and best service in terms of product customization and preference will be available thanks to our ChatBots, which will not only answer FAQs but also provide customized support in real time, guiding customers through the purchase process and helping them select the options that are best suited to their needs while simultaneously enabling us

to collect valuable insights about customer preferences, so we can improve our offer and service constantly.

The customer service will be one of the strongest pillars of our business. Torri Galeano, we are going to implement a customer service center able to offer multichannel support, including live chat, emails and phone assistance, powered by smart automation Artificial Intelligence ChatBots, giving real time assistance, personalized and adapted to answer and resolve users queries and problems fast and competent way, as well as including a highly trained team of staff to set up human presence contact. It will be a state-of-the-art way to walk through the shopping experience, getting the best out of buying experience and making clients pre-disposed to return. To maintain a high level of satisfaction in our services we will collect client's feedback, auditing it and acting to improve our products, so that Torri Galeano always delivers and exceeds their expectations.

6.3. Logistics operations

The logistics efficiency will be key for our virtual store success. We will implement a real-time inventory management system to monitor and manage our stock. The IoT allows us to trace every article from the warehouse to delivery so that our customers receive their orders quickly and safely. We will also enter into partnerships with major logistics companies to optimize the delivery routes and reduce delivery times. This not only benefits the customer experience but also reduces operating costs and increases our responsiveness to market dynamics.

6.4. Accounting operations

In accounting terms, we will implement an automated accounting system that will integrate all our financial operations. This will allow us to keep track of all financial transactions in real time, from sales to payments to suppliers. We will use high-level software

to generate detailed financial reports. This will make it simpler to take strategic decisions based on accurate data. Artificial intelligence will play a crucial role in anomaly and fraud-detection, closely monitoring the integrity of our financial books. In addition, we will benefit from a greater operational efficiency, due to automation. The amount of time and resources freed will be invested in other business functions.

6.5. Distribution

Our products distribution will be managed through an integrated logistic system which handles everything from raw materials reception to final delivery. We will use intelligent warehouses equipped with IoT technology to manage and optimize raw materials storage and order preparation. Route's delivery will be planned through optimization algorithms to ensure fast and efficient deliveries. Additionally, customers will have flexible delivery options including fast delivery and pick up points. Our distribution strategy will be designed to maximize geographical coverage and minimize delivery times. This will help improve service quality and increase operational efficiency.

In short, our website will be not only a shopping platform, but also an experience with safety, personalized service, and cutting-edge technology combined, which will touch and exceed our customers' needs. With proper logistic management, accurate accounting operations, excellent customer service, Torri Galeano intends to be the strongest competitor in the luxury clothing market. We will take our clients on an unprecedented shopping journey.

6.6. Installations

As part of our initial goal to establish a strong, operational foundation, we will strive to work in co-working spaces. This decision will allow us to allocate our financial resources efficiently when the project just begins, while only utilizing co-working offices for partial

meetings based on demands when necessary, thus minimizing our operational costs and maximizing our flexibility.

Additionally, we will outsource certain functions to keep our operation nimble and resourceful given our goal of achieving desirable economic sustainability in the initial stage.

After that, we will introduce a third-party model by outsourcing with our tailors working at their own spaces. To establish a real quality-control model, we are going to establish a three-fold filter system to ensure that every garment is produced with the highest quality. First, every single piece will be supervised on-spot in the tailors' workshops, making sure to finish the production of each piece on point. Next, every single piece will be consolidated by a master tailor who will personally control the assembling of every single piece before delivered to our final customer. Last but not least, we will run a final-quality-control before the packaging of each item to ensure that our pieces are in accordance with our more demanding standards. That way, we will be able to assure the greatest quality to all our items.

By the other side, in order to manage our stock in an efficient way, we are going to store the products in the warehouse of our stores. In this way we will maximize the available space and initial use of our resources that will ensure us an efficient management of the stock as well as a bigger control and speed in the distribution process.

After achieving a sustainable economic balance, our strategy would logically expand to reflect our growth and stability. Embracing our evolution, we will start looking at spaces to own or rent suited for our size and needs which will also be designed in a functional and comfortable way, creating the best environment for our team to explore their craft. On the ground floor, we will set up the workshop area where our tailors will perform their craft using state-of-the-art equipment with areas allocated for cutting fabrics, designing and fitting clothes, as well as the storage of raw materials. We will also maintain the co-working space

to uphold the high standards for our community, where the age-old art of tailoring and the innovation of technology will continue to be a key pillar of our business. On the first floor, we will keep the administrative part of our business, ensuring excellence in processes and resources in all areas of our business to ensure efficient use of resources and continuously drive a culture of responsibility and organization. Moreover, we will continue to pour money into tech development of our platform, while ensuring that the space offered to our developers leaves no room for anything less than excellence in driving through innovation and enhancing our offering of products and services. In conclusion, our strategy moving forward involves consolidating and expanding our offer on the market with a firm commitment to excellence and quality in every aspect of how we operate.

7. Technological Infrastructure

In the current information-driven society, the companies need fast and scalable technological solutions to store, process and analyses the data. In this context, TG for us is the form of technology where Google Cloud allows us to manage all the data gathered through Workspace with already prepared emails, meetings (videoconference) cloud storage, file sharing, until BigQuery, the scalable and efficient solution that generates the storage and processing of data for each user reading their measurements, until the scalable algorithms for the personalization of cuts. In addition, because finance data and competitor data are available to us to take a data-infused decision whether the data is semi structured or structured.

Concerning to our ICT Infra-structure, we are in progress to develop a website which will be built using HTML, CSS, JavaScript, PHP and others. It will be the main hub to market and sell our products and services on TG. Nevertheless, a simple static page heading would not be our limit. Instead, we will focus on strength on value added. In that regard, Chatbots,

brought by our technological development will bring, in our perception, extraordinary support to our personalization and user Experience. Indeed, aiming an exclusive and demanding customer base, we have the goal to bring all the best for online purchasing experience within the luxury segment. As a matter of fact, we plan to optimize the user's experience online within a single tool, accessible by all the mechanisms needed to create a demand and then a purchase online. Thus, bringing all the integrated services in order to be used with the minimal amount of efforts by the user. This tool, which will be start by "Iceberg Data", who will be in charge overall technology and the RD-AI areas, will be developed from scratch as no tool is matching our requirements. We are also thinking to develop an application using our new sensors which will be able to retrieve measures at distance, whatever the user's location. This logic will allow us to extend the best offer to our customers, along quality, easiness and personalization if our customer will do so.

In short, Torri Galeano is strongly and wholeheartedly committed to build up a strong and scalable technological infrastructure able to process huge amount of data, but our commitment goes far out the technology; we like are strongly committed to remain in continuous connection with our clients. By doing so, we like to keep them posted on the latest news we have coming out from our lab as well as from fashion industry overall, to make sure they know everything about what we are doing. In this sense, we like want consistently satisfy our devoted clientele with an excellent service adapted to ever evolving needs and expectations of our customers.

Generative AI offers a unique form of innovation that numerous fashion businesses can implement to revolutionize various parts of their enterprise and remain competitive. But to take advantage of these opportunities, we need to invest in workforce training. However, companies do not need to create their own AI technologies. Alternatively, they can

collaborate with leading generative AI companies like Microsoft or OpenAI who offer the needed infrastructure - cloud computing, and APIs. This ensures that the fashion front-runners are able to swiftly take advantage of some of the most advanced technology solutions without the nuisance of producing their own applications or basic models behind the curtains. By taking this approach, fashion executives can thus concentrate on how they can apply these new technologies to innovate and improve their systems. (Harreis, Koullias, Roberts, & Te, 2023)

Given the above, the potential benefits of leveraging generative AI are enormous in the case of luxury brands. By offering tools that create multiple design versions based on a single sketch, AI can be used to improve the collaboration between design and engineering teams, and, in turn, lead to faster design iteration and more creativity. Things like quarterly roadmaps or the strategy that comes out of regular leadership meetings help build a common operational environment between the technical and non-technical geographically separated roles (I honestly prefer to call this organization in the cloud), we should not forget that people need to work together to make the machine work. Similarly, enabling a workforce that is proficient in AI will also drive down staff turnover, as employees are presented with long-term growth and innovation opportunities.

Artificial intelligence is not a one-size-fits-all solution that reads as these exact brands will benefit from say generative AI, and you should use that. Brands can use generative AI in granular use case like hyper personalized customer experiences driven by consumer insights powered by AI, optimizing their supply chain with AI predictive analytics, or creating hyperrealistic virtual models for their next big campaign. Taking action with these AI technologies today can open the door to endless opportunities for future growth and innovation, ensuring luxury brands stay ahead in an increasingly competitive environment.

The implementation of AI in this context allows for predictability and would pave the way for a whole new take on the design of luxury fashion brands amongst other components of the fashion business. (Harreis, Koullias, Roberts, & Te, 2023)

8. Production and Distribution Requirements

Regarding start-up, in addition to the aforementioned processes and installations, an initial stock of textile input worth 10.000 meters, able to manufacture 3.333 units, from Peru, England and Italy is required. This will make the start-up possible, providing input for a vast number of variants for the manufacture of jackets and dresses which will be exhibited in the digital shop windows of TG. In this way, we will offer our clients a wide range of options for the manufacture of their clothes.

Independently, approximately 5.000 meters of cotton fabric, which is able to produce 2.950 units, is needed, both for exhibition and manufacture made to measure. In addition to the vast majority of textiles and variants, buttons must be also provided, among others types of accessories, such as neckties.

Meanwhile, the general rotation cycle will be bi-monthly, considering the preparation for the effective beginning of seasons (winter, fall, spring or summer) and so as to perform effective sales to secure a position in the market.

With regards to suppliers, TG has a number who offer a wide variety of products and, depending on the valor of the order, an exclusivity. As the company grows, there will be a need for many more varieties of textiles in order to offer more exclusive and detailed garments. Furthermore, it will see the opportunity to buy materials from past seasons of great design houses such as Dior, Versace and Dolce & Gabbana, in order to produce exclusive garments in terms of material and workmanship.

Regarding credit policies, on the order it is required to pay at an anticipation of 50% and the 50% remaining at the end of the elaboration, which guarantees a relationship of trust, security and efficiency in the delivery of the products. Given the quality of the materials that we use, TG's garments have almost infinite durability, if the due care is provided by the user. As for the costs, they will also vary depending on the seasons, but quality, exclusivity and differentiation allows you to maintain the sales prices higher than those of the competition.

Regarding the distribution, we will have local and international emergent companies. For the distribution to the national level, we will use the services of 'Dropi' for the logistics and 'Black Storage' for storage, both with more than 90% coverage of the national territory. At international level, we will rely on 'Agilex', a local company with agreements internationally with the main messenger services, with a price average better in relation to other agencies.

9. Financial Strategy

Initially, all our resources will be funded by partners and will also be supported by start-up companies such as Incol, of which one of our partners is a founding member, as a spin-off. This strategy allows us to use human resources management, financial, accounting and occasionally back-office management from inside WeWork. We also have offices and an area where we share items for recreation, meeting rooms, cafeteria, and we share different resources with other companies. We can also have our own desks with internet connections. Also, we have help with the accounting, with treasury and payments and payroll.

With this in mind, we focus on bootstrapping where our funding is aligned with the cashflow generating capacity of the business and to validate hypotheses on value and growth. During the first two years, we will fully reinvest all our cash inflows in the business in order to survive the so-called 'valley of death' without any issues. However, we do keep an open

mind to future opportunities of growth or business acceleration, and would consider involving some business angels and accelerators. In this context, we propose that any external investment has a maximum max return on investment timeframe of 1 year to keep a maximum company ownership for us. Finally, one of our shareholders already invested with some family offices of thousands of companies and we also have access to another 300 million credit guaranteed by the Incol companies.

9.1. Financial plan

When preparing the financial model for Torri Galeano, it was evident that we needed to focus on keeping fixed costs to a minimum. This approach means that as the model grows and more sales are made, the costs and expenses would grow with it, but there would always be a positive margin to build up the box over the years. We also established that investments in infrastructure or non-current assets would not be crucial to the performance of the business.

The financial model results, which we will present below, are very positive and highly profitable while achieving these through a low investment of capital. Based on our sales estimates and the linked costs and expenditures, we show below the projected utilities for the next five years:

9.1.1. Gross Profit.

Since the first year, the business has a gross profit of \$2,870.400.000 COP, representing 60% of the sales. This is the profit that is obtained by subtracting the cost of production from the sales revenue of the product. The consistency in this percentage reflects that the business is operated efficiently and that it has the ability to maintain a gross margin even when the volume of sales or the costs increased or decreased.

The financial projection shows this positive trend remains the same during the next five years, suggesting the business model is resilient and could maintain its gross profitability long term. Stability of gross profit is important because it ensures a solid basis for covering any other operating expenses, investing in future growth and the overall financial viability of the business. Maintaining gross profitability at high levels also indicates the cost management and pricing strategy provide cost efficiency and impact in improving sales margins.

9.1.2. Operating Profit.

Financial analysis shows that the operating profit of the business, which is the cost of sales and administration costs, is 31.7% in the first year. Operating profit represents the efficiency with which the business manages its operational costs in relation to its income.

Over a projected five years, the figure is expected to increase to 37.1% as a result of a continuous adjustment to administrative costs and the implementation of a sales strategy that optimizes resources and maximizes productivity. Growth in operating profit signals not just that the business is successfully generating income, but is also improving how it manages its operating costs over time. Improvements in operational efficiency are crucial to the organization's long-term sustainability, as it allows the business to plough back into key areas, such as, product development, marketing and growth. Furthermore, an increase in operating profit provides a financial cushion that might be used for dealing with unforeseen instances and ensuring financial stability.

9.1.3. Equilibrium Point.

The break-even point shows that the company needs income of \$2,232.500.000 COP to cover all expenses and costs before a profit is generated. This means the company will

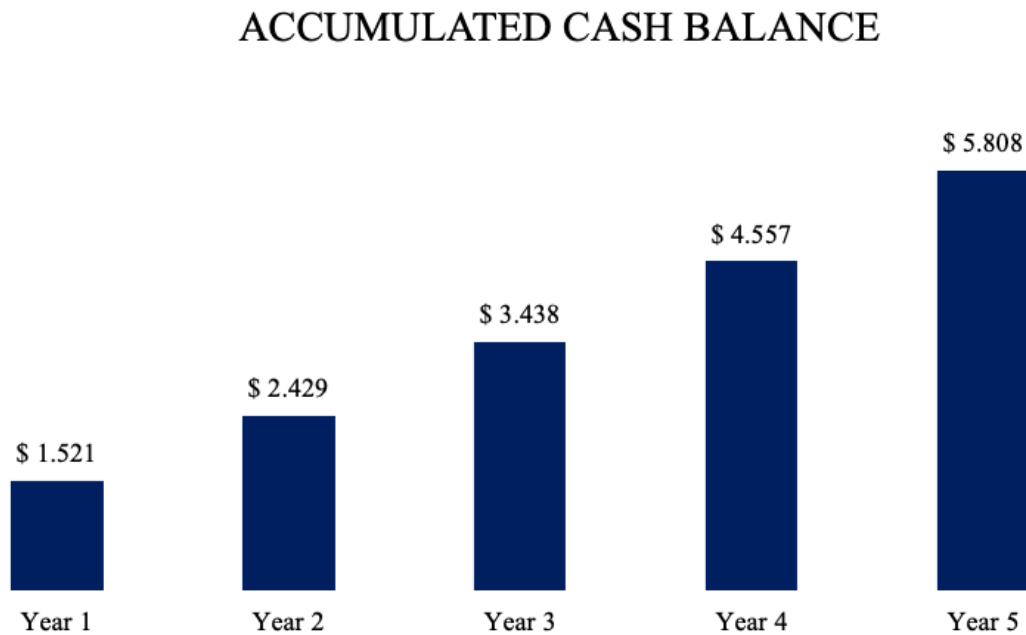
reach the break-even point in the third quarter (Q3) of the first year. This will happen by selling 1,641 items, so the marketing team now has a clear, attainable goal.

The commercial strategy adopted (it may include pricing or volume changes) will be continuously adapted according to your market reaction. That will be crucial for fine-tuning against market dynamics and assuring the business stays on the right path to profitability. Regularly assessing and adapting your commercial strategy will allow the business to find and exploit the right path it takes for success. Once we reach equilibrium in Q3, our business shows that it can cover both our fixed and variable costs in a relatively short timeframe. This is not only a sign of a strong business model, but also a solid foundation upon which to build and scale our future operations. Able to pivot their strategy based on market response, the business will be well-positioned to adapt quickly to change or course corrections and remain on track to achieve success.

9.1.4. Cash and Gross Working Capital.

The contents and the amount of working capital for the business are related to the projections for sales incomes and incurred costs and expenses related to the production. Those factors directly impact the operational cash balance for the next five years.

The business shows a continued ability to generate and accumulate income year after year.

Figure 13. Accumulated cash balance

Source: Own elaboration

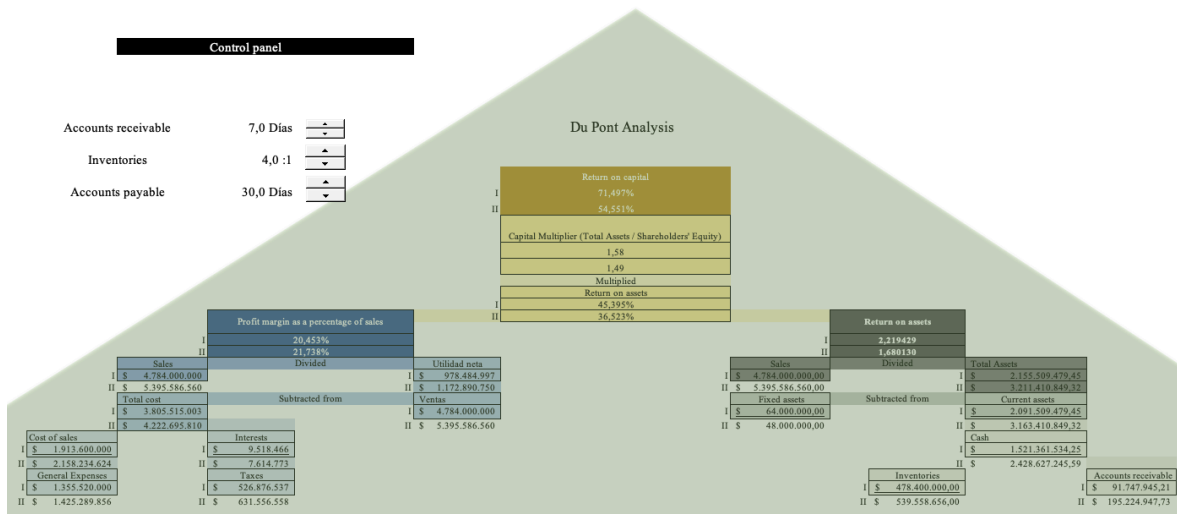
The capital of gross operative labor for the first year is \$570.147.945, whereas in the following years the average increases for about 180.000.000 million.

9.1.5. Investment.

To begin business operations, the company has planned an initial investment of \$390,088,767 COP, provided by the shareholders, which will be combined with a bank loan of \$63,456,438 COP, resulting in a total commitment of \$453,545,205 COP. This amount will be used to fully gear the operation of the business. This investment will be carried out over 3 quarters, with an approximate total investment of up to 150 million pesos. We will monitor the expected results in terms of sales, profitability, and product type in accordance with the advertising. This allows us, in case the expected results are not achieved, to reiterate the product or the advertising to obtain the expected profits.

Investors expected return is reflected in a ROE (Return on Equity) 71.49% that's resulting from multiply ROA (Return on Assets) 45.39% by multiplier capital of 1.58. This shows how expected returns from capital investment for stockholders.

Figure 14. Du pont Analysis



Source: Own elaboration

9.1.6. CAPEX.

The projected CAPEX (Capital Investment) level for Torri Galeano in the first year is \$59.80. This means that for every dollar invested in non-current assets, \$59.80 of sales are expected to be generated. This reflects the tight use of the resources invested in fixed assets, a necessary element to maximize the return of the investment.

CAPEX will be allocated for the purchase of computing equipment with an estimated useful life of 5 years. These assets are an integral part of the business operations, furnishing the necessary technological tools to maintain and increase operational productivity and efficiency.

Besides, the depreciation cost associated with this equipment would be \$16,000,000 COP a year. Depreciation is a significant part of the operating cost as it reflects the wear and tear of fixed assets over time. By spreading the cost of computing devices over the useful life of the asset, the business can better manage its impact on the annual balance sheet and make proper arrangements for future investments in technology.

CAPEX investment strategy is planned to ensure that the company's assets are kept up-to-date and in order to maintain a smooth and efficient operation. Today, this is important for long-term planning of any business, whether it's a car dealership, a grocery business, or a fish farm.

In short, Torri Galeano's CAPEX target for the first year is focused on maximizing sales with efficient investment in NIAs and a clear depreciation and planning management. This is a strategic approach that allows the business to have a cutting-edge technical infrastructure, hence being a fundamental point for sustainable operational and shareholder interests.

9.1.7. OPEX.

The forecasted OPEX (operational expenditure) expected for Torri Galeano during the first year is \$0.28 per peso in sales. In other words, to make one peso in sales, it costs 28 cents in operational expenditure. The OPEX includes both sales and administrative expenses occurring over a given period of time for a specific year.

This level of OPEX reflects the efficiency by which the business runs its operating costs in their ratio to revenue. Keeping the OPEX low is crucial to a business's profitability as more of the revenue will go into other key areas, like reinvesting into the business or paying dividends to the shareholders. Properly management of the operating expenses ensures the business stays competitive and can grow sustainably.

9.1.8. Depreciation.

\$80,000,000 COP was invested in fixed assets, and depreciation was calculated on a straight-line basis over a five-year period, leading to a year-end depreciation expense in the amount of \$16,000,000 COP. The assets will be fully depreciated by the end of the fifth year, that is, their book value will have been reduced to nil by the beginning of the sixth year.

This planned depreciation helps the sound management of assets across their economic lifecycle, and ensures that the balance-sheet reports the right values for the assets. In addition, it provides a basis for forward planning of asset costs. Constant operation will mean that the value accrued in the sinking fund can be used to reinvest in new assets over the five years. This will thus ensure that the business can keep its infrastructures up to date and operational, avoiding the risk of obsolescence and ensuring continuity and efficiency.

9.2. Financing Sources

Its sources of financing are own resource investments of the partners for \$390,088,767 and bank loans for \$63,456,438, which is 16.3 per cent of the investment plan needed for the first year. Therefore, those sources of funding provide \$453,545,205 to leverage the business operations.

This combination of equity and debt provides the business with a solid financial base from which to start its operations. The projections for the next year's show that the business will be able to fund its operations with the cash flows obtained from these activities without the need to provide additional capital for the partners nor to find any additional sources of finance from the banking system. Financial self-sufficiency is a positive indicator of the economic viability and sustainability of the business as it demonstrates that the business will be able to generate sufficient cash flows to fund its operational and growth needs.

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9.3 Net present valuation

Figure 15. NPV and WACC Torri Galeano

PROJECT PRESENT VALUE CALCULATIONS		Año 1	Año 2	Año 3	Año 4	Año 5	Año 6
Operating income (EBIT)		\$ 1.514.880.000	\$ 1.812.062.080	\$ 2.082.424.505	\$ 2.346.915.327	\$ 2.636.404.961	
(-) Operating taxes		\$ 530.208.000	\$ 634.221.728	\$ 728.848.577	\$ 821.420.364	\$ 922.741.736	
(+) Depreciation and amortization		\$ 16.000.000	\$ 16.000.000	\$ 16.000.000	\$ 16.000.000	\$ 16.000.000	
(=) EBITDA	\$ 1.000.672.000	\$ 1.000.672.000	\$ 1.193.840.352	\$ 1.369.575.928	\$ 1.541.494.962	\$ 1.729.663.224	
(-) Increase in net operating working capital	\$ 373.545.205	-\$ 17.780.228	-\$ 30.332.953	-\$ 38.881.778	-\$ 42.451.126	-\$ 46.348.139	
(-) Increase in fixed assets	\$ 80.000.000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
(=) Free cash flow (operating)	\$ 547.126.795	\$ 1.018.452.228	\$ 1.224.173.305	\$ 1.408.457.706	\$ 1.583.946.088	\$ 1.776.011.363	\$ 5.270.582.482,98
Present value of the project	\$ 5.659.169.352	\$ 5.293.086.111	\$ 5.327.026.364	\$ 5.192.898.094	\$ 4.855.757.726	\$ 4.248.260.053,66	
WAAC CALCULATION		Año 1	Año 2	Año 3	Año 4	Año 5	Año 6
Ke	24,10%	95,6%	97,7%	98,8%	99,4%	99,8%	
Kd	9,8%	4,43%	2,31%	1,24%	0,63%	0,25%	
WACC		23,46%	23,77%	23,92%	24,01%	24,06%	24,06%

Source: Own elaboration

Based on our calculations, this would amount to a total stockholder's wealth of \$5,659.000.000 COP consisting in the discounted sum of net cashflow in present value. This figure is calculated using a Weighted Arithmetic Average Cost of Capital (WACC) of 24.06% for years 5 and 6, 24.01% for fourth year, 23.92% for third year, 23.77% for second year and 23.46% for the first year.

NPV is a financial ratio that computes the value of cash flows generated by a project (at their present value) over time to discount at a proper meaningful number (WACC in this case). A positive NPV means that the project will generate higher returns than the cost of capital, which makes it financially attractive.

According to the NPV method, the project is viable to raise the initial investment. This means that the present value of the future cash flows is greater than the initial investment required, and suggests that the project will return a certain amount to shareholders.

After five (5) years, we estimate that the company will have \$5,270,582,482 COP, with WACC of 24.06% according to the proposed method of indirect forward.

This means that the project has great return for shareholders, considering the cost of capital and for the associated risks.

10. Torri Galeano and the Application of AI Focused on Luxury Fashion

10.1. General antecedents

The current landscape, defined by the development of markets and technological advances, presents the textile sector with unique opportunities to implement innovative communication strategies and revolutionizing technologies. Meanwhile, it represents a turning point where not only advances focus on tackling specific issues, but carry within them the potential to tackle complex, multifaceted challenges. The proliferation of the opportunities for acquiring knowledge and more effective means to develop as individuals and as professionals' places people in a richer epoch perfect for strategic advancement. The connection between one and the other underline the significance of comprehending the mechanisms for market movement, particularly when it comes to markets of high taste, where paying attention to a demanding and selective target group (less than 8% of the population) requires to be able to understand its peculiarities to be able to satisfy them effectively.

In line with this need, in his paper *A Novel Approach for Prediction of Consumer Buying Behavior of Luxury Fashion Goods Using Machine Learning Algorithms*, the authors Kumar, Surjeet et al (2023) explain how luxury fashion brands, aware of the urgent need that exists for them to keep up with changing consumer behaviour, are resorting to ever more data-based methodologies in order to remain relevant and competitive. A vital part of this strategy involves the implementation of advanced analysis and machine learning algorithms, which enable brands to take information from consumers based on huge volumes of data. Having identified patterns in spending and trends, in consumers, brands can then develop marketing strategies and product programmed that enable them to stay connected to their customers. Then, investments in customer relations management systems and sophisticated data analytics enables brands to curate full consumer profiles and develop personalized marketing campaigns. All in all, as Internet of Things technology and AI technology become further integrated with the luxury experience, data takes may enable Torri Galeano to develop a meaningful connection with her clientele, surpassing her competitors in the luxury arena.

10.2. Technologies used in the fashion industry

With time, people have been developing and using specific tools to overcome various challenges in the historical stages. Today, the technology process is moving the world towards a future that was seen just as an imagined thing until recent times. Technology has not only been evolving from a linear design, but at a dynamic and constant pace, especially in the field of Artificial Intelligence (AI) and Machine Learning (ML).

Therefore, the interaction and the use in sectors (specially with clients) has been even more revolutionary. The Intelligence Technology makes it possible to divide the behaviours of customers and be able to know what they think, what they want and how they shop. Based

on that, the company strategies are adapted to be able to offer, as much as possible, spaces that would suit the tastes, preferences and identities of the person.

According to Hindolia y Arya (2022) consumers can also expect a faster pace in this industry in the coming decades as the flow of new buyers moves to online platforms. Consumers of luxury goods are increasingly looking for haptic, all-encompassing shopping experiences, especially when it comes to Generational Z, a large majority of whom are young. More often than not, they turn to the brand first and foremost for information. Targeted by online platforms, they are the core driver of the booming international luxury fashion sales. As they assert their power, they are already responsible of up to 30 per cent of all purchases by elite brands Eat Love Savor, a luxury lifestyle magazine online, states in 2025 around 20 per cent of all brands will merchandise and transact online, presenting an opportunity for new brands like those of Torri Galeano.

Fashion luxury has progressed so much in this process maximization, not only in the production phase but also in the understanding and the commitment with the clients during the buying process. Connected with this study, the article *Hermeneutic Approach In Understanding The Role Of Artificial Intelligence: Fashion & Apparel Industry/ Luxury Brand Retailing* by Hindolia and Arya in 2022 explores this phenomenon. The authors shed light on how top luxury brands are pioneering the innovative use of AI strategies to enhance different points of sale, through all the various stages of processing the goods. These strategies aim not only to maximize the production processes but also to enrich the interactions with the clients through the experiences personalized to their preferences and identities.

Furthermore, Hindolia and Arya (2022) also dive into the nuances with which brands integrate AI technologies into their operations in order to offer the customer more value,

allowing them to process large amount of data, and anticipate customer and consumer trends and needs. It provides a solid ground to explain the AI's role in the luxury fashion retail selling cycle, and how it can revolutionize the sector, taking the customer experience to new heights. By dissecting the topic, the document unveils the deep impact that AI technologies can have in the luxury fashion retail selling cycle, stressing how brands like Louis Vuitton, Tommy Hilfiger and Burberry are driving technologies AI adoption to provide a richer experience for their clientele through their ChatBots , and how this new AI-based retail scale and pandemic led new consumer trends revealed the necessity for luxury brands to advance into new market penetration for luxury items online, making effective utilization of AI driven personalization, which raises even more the appeal of luxury brands in the digital age.

Similarly, the integration of AI into luxury fashion represents an important development, especially in optimizing the customer's experience and improving the brand's commitment. Rahman et al. (2023) examines role of digital assistance driven by AI, digital multimodal sensory signals and commitment in CLBOSE (Customer Luxury Brand Online Shopping Experience). Using a multimodal design research approach that incorporates mixed methods (qualitative and quantitative), the study investigates the critical factors that inform CLBOSE and the impact of AI-led technology on enhancing customer experience. Utilizing the advanced AI-oriented technologies, luxury brands can optimize their marketing capabilities, adapt to the evolution of consumer tastes and foster commitment via online and offline channels. The study highlights the significance of adopting creative AI-led approaches to satisfying luxury consumers' demands in the digital era and draws the imperative of luxury brands that staying abreast of technological advancements helps to maintain competitiveness and ensure sustainable growth on a global fashion market (Rahman, et al., 2023).

10.3. The future of work with AI in Latin American luxury industries

The main importance of the focus on applied AI in the high-fashion textile industry in Latin America lies in its ability to enhance the way that brands communicate with its customers, as well as to critically influence their operations management. Taking advantage of AI technologies allows the fashion textiles to create more customized products, to optimize their supply chain and to offer more immersive and customized shopping experiences. This is particularly true in a region like Latin America that is seeing increased consumption patterns in the luxury area and high consumer demand for exclusive experiences. A proactive focus on AI allows firms to stand out in a competitive environment, to increase their operational efficiency and to respond more quickly to the changing preferences of their consumers. Moreover, the possible incorporation of AI solutions facilitates the firms to identify new business opportunities, as well as to optimize their marketing and sales strategies. To sum up, the focus on AI in high-fashion textile in Latin America is key to foster innovation, to enhance competition and to fully meet the growing consumer expectations in the region.

Similarly, the integration of Artificial Intelligence (AI) and The Internet of Things (IoT) has completely altered the way we interact with fashion in the Digital Age. The combination of AI and IoT enables smart systems to effectively collect and analyses data, resulting in more personalized shopping experiences and meeting the individual demand for products of buyers. The use of personalized chatbots for the fashion industry with help of AI place the brands in a better position to interact with their customers in a more effective way, in the way of recommending products, solving queries and providing real-time customer service. The synergy of AI, IoT and chatbots can further boost the growth in fashion

commerce by improving the customer experience and strengthening the bond between the brands and their customers.

As numerous sources, such as the case of Statista, McKinsey and Global Web Index (2022), show, the mentioned digitalization has changed the fashion industry, modernizing how brands work and connect with their consumers. It is said that the net value of the global fashion market reached 744.4 million dollars in 2022 and will witness an astonishing upward trend to 821.19 million dollars by 2023, as an information brief by Statista points out. In the Latino, America regions as well, the e-commerce is booming, especially in the area of fashion, with 18% more sales online in 2024, as shown by an informative by the same source. Digitalization changed how the consumer consumes, with more than 62.3% of world's population using social media, via 71% in Latin America, Global Web Index (2023).

Although it shows risks, with brands not being ready for the changes, it offers many evident opportunities as well. It is mentioned that is time for entrepreneurs to use (specially) the digital tools and the online platforms, because they help to launch and grow their fashion brands.

In conclusion, it is shown how the digitalization is taking over the fashion industry and giving a future full of opportunities for those who can adapt and take advantage of these trends. (Statista, McKinsey y Global Web Index, 2024).

10.4. The future of customer service: AI, ChatBots, AR in an IoT Connected World.

Emerging organization such as Torri Galeano, must build an area of technology and innovation that would create, implement and consolidate all internal initiatives required to implement the technologies to be used. So, after designing a new website (our first measure), we will explore other kind of immersive technologies, to offer our customers a unique shopping experience. We also plan to implement data analysis and machine learning tools to

better understand the client behavior and design even more customized products and services. We aim to be at the forefront of the technological innovation in the fashion industry, ever looking for new ways to improve the customer experience and differentiate ourselves in an ever more competitive market.

Similarly, our strategy will also leverage the IoT (Internet of Things) combined with Chatbots to get a grasp of users who visit our platform. This will allow us to collect valuable data on potential customers and will increase the effectiveness of our Google Ads, Facebook Ads, Instagram ads and similar advertisement campaigns. With this effective use, we plan to take the next move – we'll develop a technology that allows us to get accurate body measurements regardless of the location, morphology and/or sex of the user. Delivery will be augmented with advanced features of augmented reality, allowing the dressed to see how they'd look with our products before buying them. Besides, this approach will not only improve UX, but will also decrease returns and enhance customer satisfaction. After all, companies such as MTailor have already demonstrated in 2014 that it's possible to consolidate an online market capable of really satisfying the people in terms of body measurements and myths about it being impossible were belied by their development. Thanks to it, MTailor is one of the key innovators in the fashion technology industry worldwide.

Armed with technology developed and keen to scale similar initiatives in the Latin American market, we hope that our technology-focused models will make a real difference. We envision fine-tuning our technological solutions to the specific needs of Latin American consumers, considering the cultural particularities of the region and the consumer preferences of the Latin American market. Our vision is to lead the field in the use of AI in regional fashion and provide technological solutions that improve the customer experience and accelerate responsible fashion in Latin American fashion in the long term.

In summary, the integrated strategy of Torri Galeano demonstrates a commitment to technological innovation and a clear understanding of the challenges of fashion in the digital age. By focusing on the development of a high technology customer-oriented infrastructure, the company aims to not only stay at the peak of fashion trends, but also show the way forward to new ways of interacting with consumers and providing customized products and services. With a proactive approach to the use of disruptive technologies such as Artificial Intelligence and the Internet of Things, Torri Galeano is well positioned to contribute to a transformation of the Latin-American market and beyond. Ultimately, the company aims at reshaping the shopping experience in the fashion industry, but also setting new standards of excellence and customer satisfaction in an ever-changing digital environment.

11. Conclusions

After reviewing the results and achievements generated by the research performed, it is born a novel business strategy for Torri Galeano conception and implementation, as it is projected as a stimulus that will enable the company to consolidate as a pioneer in the textile sector.

The innovative merger between traditional tailoring and the cutting-edge technologies such as the Internet of Things (IoT) and Artificial Intelligence (IA), will marks the beginning of a new era, a turning point, in an extremely competitive environment and saturated market where many brands guide their goals toward similar destinations without adding genuine changes and even less innovation. In this context, our proposal can be a benchmark, which will change the panorama of the textile and clothing industry in Colombia and Latin America, opening a new era for changes beyond paradigms until now, what the market and new generations are now requesting.

In a market where demands are becoming even tighter and more challenging, this unique mix proposed by our company will hit hard. Looking to innovate in a sector rooted in classical patterns, we are well aware of the challenges that result from the fusion of artisan techniques with modern tech, and although processes of production in the tailor's shop demand an extraordinary level of precision, our strategy will be to gather the essential information (customer measures and preferences), which will in turn allow us to offer clients a wide range of options via a web platform, which we will thereby breathe new life into the age-old craft of tailoring, whilst also innovating it through modern and technological processes of a tech-based nature.

This way, thanks to modern tech integration, including IoT and chatbots, the traditional tailoring will be enhanced and scaled to create even more exemplary experiences for our customers. The adoption of IoT, among other things, will allow us to provide smart clothes that mimic the customer's needs and preferences in real-time to offer an unparalleled user experience that are personalized in both digital and physical spaces. Furthermore, the use of chatbots aligned to our business strategy will also add value to the company by providing a better and more effective communication channel with our customers. By constantly interacting with the customers in real-time, their enquiries and needs will be answered in a fast and smart way. By fully integrating smart technologies, Torri Galeano will provide an even more accurate track of the customers, enhancing their experiences. This is believed to lead to client differentiation and further localization in an increasingly competitive market.

To stay ahead and become the best at it for long, TG will continuously iterate the following: research, innovation and development; training; and attention to the client, thus staying dynamic. This implies a continuous research and development investment in

technologies and training and capacity building with the staff, in order for the ultimate tools to reach its highest and best use. Furthermore, TG affirms the attention to the client at the heart of the business, to always go beyond the expectations of the most demanding clients; it is essential that we stay detail-oriented, micro-managerial and effective so our clientele feels well-attended to. We want them to have access not just to the best technology-wise, but supplies-wise also: so, as we amass more and more resources, we will bring the best factories in the world to Colombia and Latino-América, connecting all of the luxury textile world to its highest expression.

Looking ahead, TG will be able to expand to new markets and consolidate as a leading international brand. This expansion process would require a strategic extended physical and digital presence, and a continuous adaptation to the specific needs and preferences of each target market. TG commits itself to remain a leader in textile innovation, anticipate market trends and offer clients all over the world an experience and products that fascinates them. Also, our expansion strategy would be lead by highly precise alliances and checkpoint strategies that involve key placed that count on craftsmanship who are capable of offering a quick solution to any demand that could ask our exclusive clientele, in order to bring an early prioritized solution to each one of their needs they might need.

Firstly, regarding the analysis of Torri Galeano`s financial model, it can be inferred that the objective is to keep the variable costs as close to 100% as much as possible. This allows for a better margin, promote the cash balance over the years. The assumption behind this is the positive return, and equilibrium point achieved selling 1641 dresses. There is a buildup of cash for the business and also the opportunity for reinvestment, the original investment can be obtained with positive profit, making the entrepreneurs rich

(shareholders). The conclusion on the financial model for Torri Galeano's business is that the strategy follows a solid and profitable business.

In short, Torri Galeano will have shown how the mix of tradition and technology can lead to a competitive and unique value proposal in luxury fashion market. With a strong vision and a commitment to quality and innovation, TG will be ready to guide the way towards the future of luxury fashion, expanding globally and providing memorable experiences for its global customers.

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13. Appendix

Appendix 1. Brand Book TG

https://drive.google.com/file/d/1esoQPCQV9NGSNzazt_HdpSOv7KFcPqU7/view?usp=sharing

Appendix 2. Survey Guide

https://drive.google.com/file/d/1P_IOCQsqhip3MnIQfbeT7Z21YpERzbJw/view?usp=sharing

Appendix 3. Financial Model Excel