

Planning for innovative customer service

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Executive summary

This report is a follow-up to the first part of the demonstration report and analyzes Uniqlo's customer journey. The following suggestions are put forward.

From the presentation:

- Physical experience and digital technology interweave and promote each other. RFID tag. One of the most exciting developments in the use of RFID technology is its potential to change the way customers browse and buy products in physical stores. (Comparesoft, 2021).
- Automatic delivery robots and shop assistants. Robot shop assistants have built-in 3D scanners, which can help them identify products and even guide customers to find products by navigating in stores. (Ben Fagan. 2020)
- A shop without a cashier. Customers can simply walk out of the store, automatically scan the goods and deduct the total amount from the account, which may soon become popular. (GARIMA, 2020)

From the report:

- Launched StyleHint, a digital service that provides customers with one-stop service. Customers only need to upload their own or bloggers' wearing photos, and the APP can recommend Uniqlo brands with similar styles.
- From the user's needs, provide all kinds of life information, in what weather, what environment, what state, what clothes to wear, how to match and so on.

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1.Introduction

Uniqlo has become a well-known fast fashion clothing brand in Asia and even in the world, and the third largest and largest cheap clothing brand in Asia. Its clothing products sell well all over the world and gradually become synonymous with fashion trends. (marketline, 2020)

Based on Uniqlo's current marketing ability, the organization's marketing strategy and the specific marketing strategy needed to realize the marketing strategy are determined, and the specific target customer classification is determined. The relevant marketing contents of Uniqlo are pushed to the target customers through the channels concerned by the target customers, and the corresponding marketing performance evaluation index system is established to accurately grasp the customer's needs and feedback and make a quick response, so as to improve the customer's awareness of the brand and enhance the brand influence of Uniqlo(Aaron,2020).

The purpose and goal of the report is to determine the innovative customer care plan, evaluate its feasibility through the specific marketing implementation plan, and put forward suggestions for the organization on this basis, so as to guide Uniqlo to achieve the marketing goal of enhancing customer brand awareness.

This report will adopt the theory and framework applicable to the existing Uniqlo organization.(Christian,2020)

2. Main research and Analysis

Based on the analysis and suggestions demonstrated in the first part, this part puts forward the innovative customer care plan and expounds the specific

marketing strategies, on the basis of which it analyzes its feasibility and the necessary conditions for its realization, and evaluates the differences of customer trips before and after the implementation of the innovative customer care plan.(Christopher,2017)

2.1 Information from Presentation

The first part demonstrates and analyzes the internal and external environment, advantages and disadvantages of Uniqlo; Opportunities and challenges; Current marketing level; For the suggestion of innovative marketing strategy, the external and internal audit will be analyzed according to the mode specified by Fahy (2012), and the environmental audit table will be placed in the appendix.

Trade protectionism (Carvalho, m., Azevedo, a .. And Massuquetti, 2019), environmental protection and sustainable development (polasky, S.,. Klin, C.L., Levin, 2019) will further influence the market share of Uniqlo, a fast fashion consumer brand.

Meanwhile, the economic recovery in Greater China (Mainland China, Hong Kong and Taiwan) and South Asia will create the biggest growth of Uniqlo in 2020 (Carvalho, M. ., Azevedo, a. Massuquetti, 2019), the global Internet access, the wide application of mobile phones and other technological advances make online shopping more convenient, distribution and logistics faster (Priambodo, I.T., Sasmoko, S., ABDINAGORO, S.B., and BANDUR, 2021), which provides Uniqlo with an opportunity to rapidly develop digital marketing.

3. Uniqlo Marketing Strategy

3.1 Market Segmentation

Uniqlo provides services for customers of all ages (Abraham, 2018).

3.2 Target Market

Uniqlo established the business philosophy of "casual clothes that everyone can wear" at the beginning of its business. Looking at Uniqlo stores, Uniqlo's target consumers cover people of all ages, from infants to middle-aged and elderly people. Uniqlo's design style is simple and comfortable, and there are few unconventional designs.(Douglas,2019)

Uniqlo's commodity prices are close to the people, mainly in 59 yuan, 79 yuan and 99 yuan, which makes Uniqlo's target market wide.(Christopher,2017)

However, as a fast fashion clothing brand with both online and offline channels, Uniqlo's main target market is female consumers aged 18-30 and 30-45. They have enough spending power and fashion demand, and are willing to try to spend through various channels (Aaron, 2020).

3.3 Market Positioning

Uniqlo's products are positioned as simple and comfortable, "clothes are the supporting role, talents are the leading role", simple style, solid color design and loose version, and meet the needs of consumers of different ages and genders with simple and comfortable clothing style.(Brandon,2019)

4. Uniqlo 4Ps Marketing strategy

4.1 Product Strategy

When Uniqlo is mentioned, "simplicity", "versatility" and "comfort" will appear in consumers' minds, and these impressions are exactly the product positioning that Uniqlo wants to shape. Uniqlo mainly provides basic products, rather than exaggerated designs, and its products are mainly designed in solid colors (Brian, 2019).

4.2 Price Strategy

Uniqlo's pricing strategy is mainly divided into penetration pricing strategy and price adjustment strategy.

Penetration pricing strategy: Uniqlo intentionally set the price very low at the beginning of the product launch to seize the market share (Carl, 2017).

Price adjustment strategy: reduce the price during the hot sale period, and further reduce the commodity price on the basis of already very cheap (Douglas, 2019).

4.3 Channel Strategy

4.3.1 Offline Store Channels

Uniqlo's store is designed as a warehouse-style clothing supermarket. The decoration style of Uniqlo's store is simple. The main color of the store is white, which sets off the goods and plays soft light music in the store, making the whole shopping experience comfortable and comfortable.(Christian,2020)

4.3.2 Online Sales Channels

The bridge connecting online and offline channels is the electronic POP "excellent service code" of goods. By querying the "excellent service code", you can quickly obtain all the information about goods, including the inventory information of online stores of various colors and sizes.(Brian,2019)

4.4 Publicity Strategy

Limited supply of co-brand is undoubtedly a very successful IP marketing. As early as 2014, Uniqlo began to sell co-brand products, including Disney, Marvel Comics, Murakami Takashi, Keith Haring and other artists. This year, Uniqlo also cooperated with popular singer Billie Eilish.(Garfield,2018)

In consumer psychology, people call the phenomenon that "scarcity value" leads to the increase of purchasing behavior "scarcity effect", and the key point of scarcity effect is to introduce competitive atmosphere in sales, which leads to product shortage.(Aaron,2020)

5. Uniqlo Brand Digital Marketing Strategy

Network marketing needs to grasp the psychology of most users, that is, entertaining and interesting. Today's consumers are not only concerned about the basic functions of products, but also keen on the consumption culture in products. Innovative marketing can be a "breakthrough point", and interest is the key factor in this process.(Angus,2016)

5.1 Use Hot Spots and Fun Marketing

With the development of network, people pay more and more attention to hot topics. Now, on various network information platforms, many hot topics and events have attracted considerable attention. These hot spots can be broadcast quickly and attract a large number of users' attention. As a production enterprise, it has great operating space and significance to seize and create hot spots and attract potential consumers of different groups.(Austin,2018)

5.2 The Fun of Creation and Design

Uniqlo can carry out unique, fresh and interesting creative design based on the concept of "Future T-shirt Convenience Store". T-shirts are sold in plastic cans. This unprecedented and interesting way of purchasing can make it a topic and attract customers to enter the store.(Kenneth,2020)

5.3 Interactive Marketing Strategy

Interactive marketing will make consumers feel "intimate" easily, at the same time, consumers also have the right to choose. As the main body of information dissemination, they will feed back to the initiator through some expressions, find interesting points to participate, and thus have a strong sense of identity, thus strengthening the emotion between brands and consumers. (Matthew,2021)

5.4 Open Participation and Maximize Social Interaction

When displaying realistic pictures, users can shine at the moment and quickly enter the created scene. In addition, various unexpected, novel and exciting elements trigger users to discuss and spread on social networks, which leads to multiple diffusion and spread.

Uniqlo can launch the "First Wave of Testers in 2021" campaign. Users can leave a message on the public homepage to apply to try Uniqlo, and successful applicants can get free reward products. After that, they need to post experiences and related photos on the network platform, and then they will launch online voting. It can set off another wave of network upsurge, and carry out more influential promotion of brand through network and user communication.

5.5 Personalized Marketing Strategy

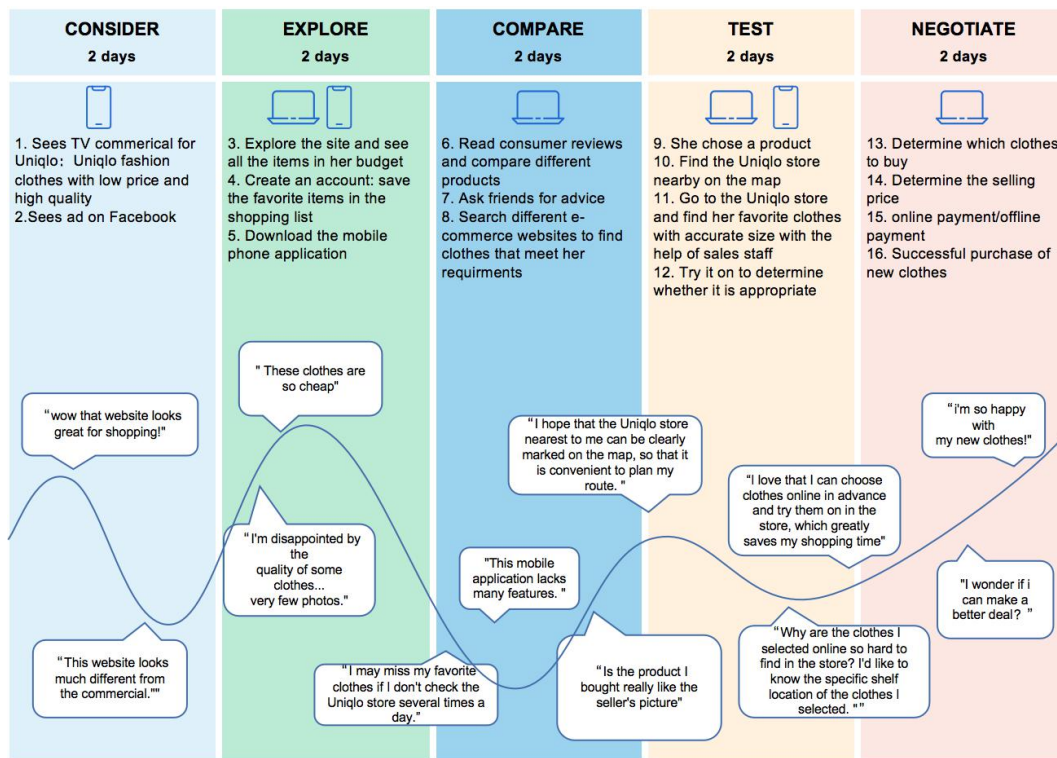
Individualization is also very important in network integrated marketing, which is the basis of the other three marketing principles. Uniqlo can use consumers' social big data to create personalized experiences, make the presentation of brand stories more diversified, and easily arouse consumers' emotional resonance.(Matthew,2021)

Uniqlo can hold UT Design Competition every year, and the 10 most popular designs can be selected by online voting after submitting works, users can create at will within the standards of APP, and use APP to reshape and re-express

Uniqlo products and brands. This not only stimulates users' sense of participation, actively seeks and uses social platforms to disseminate information, but also brings active UGC (user-created content) to Uniqlo.

6. Customer Journey Analysis

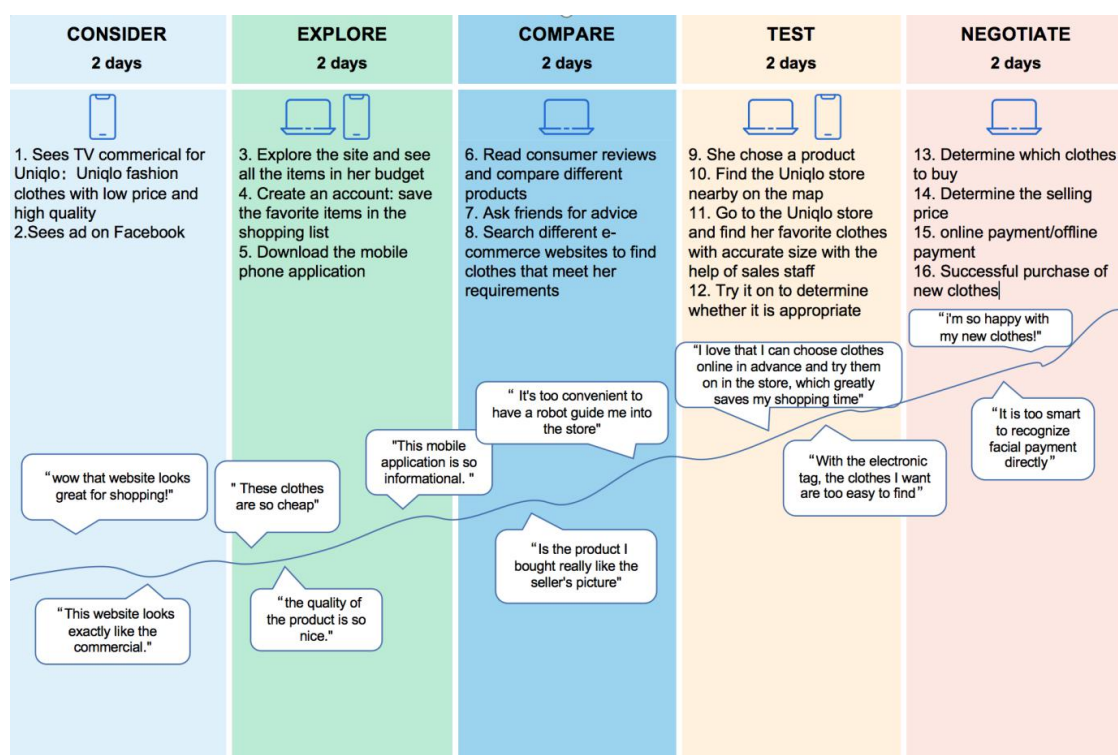
Richardson (2010) established a process that can determine the customization of products or services, which should bring happiness to customers through cognition, participation, purchase and use, all of which are based on the understanding of users' real needs. This study identified the customer contact points at a pleasant level (Kano, in wholesalers and Fashi, 2012). The first element of marketing is to determine the customer's purchase motivation, which is the starting point of the customer's journey (Jobber and Fahy, 2012). Luce (1966) studied the contact point of customer satisfaction. The following picture shows the customer journey before the implementation of the innovative customer care plan.



The survey is based on the real situation of the respondents, and the digitalization is developing with each passing day. Uniqlo can collect customer information in real time on its official website and interact with customers effectively (Van Bommel et al. 2014, edelman and Singh, 2015). In addition, you can learn the free digital skills of marketing provided by Google (Google, 2017).

However, Schultz (1997) believes that it is more important to understand the true psychology of customers.

Yurinski (2011) believes that tactical subdivision is a specific method aimed at new customers and matched with the internal strength of the organization. Word-of-mouth marketing is the most effective way to get new customers. The following picture shows the customer journey after implementing the innovative customer care plan.



Ensuring the internal strength of the organization not only meets the basic needs, but also exceeds the basic needs, which makes Uniqlo in a very favorable position in the customer journey-Uniqlo has won the Tmall Double Eleven clothing sales champion for six consecutive years and the title of favorite employer of

college students (MarketLine, 2021), which not only shows that Uniqlo has been recognized by customers, but also shows that Uniqlo has exceeded customers' expectations. Customers are the only core.(Matthew,2021)

Compared with other new retail enterprises, Uniqlo's innovative customer care plan should take the essential needs of customers as the bottom logic of all thinking and practice, and design a digital marketing model based on this, so that the practice of this model can always run through the whole organization, rather than a one-time activity. As a clothing retailer, Uniqlo has more than 800 direct stores and e-commerce companies in China (Stokes, 2020).

They need to serve the basic needs of customers, and think more about how to make customers buy satisfactory products and get good services, whether online or in stores, instead of just paying attention to the growth of the number of stores. Uniqlo's operation should comply with and create customers' needs, and create innovative marketing strategies based on this concept (kotler et al., 2020).

7. Uniqlo Digital Marketing Plan

RACE is proposed by the marketing company Smart Insights, which consists of four steps (Reach, Act, Convert, Engage) or online marketing activities, aiming at helping brands attract customers throughout the customer life cycle. The marketing plan will include the following steps:

7.1 Reach

In the arrival process, marketers can use the brand's official website, applets, social media WeChat official account, and a series of contents provided by other media channels. The process of information transmission is two-way, that is, the two-way understanding between employees, customers and potential customers. (Richie,2018)

7.2 Act

At this stage, the marketing personnel can start to "act", fully interact with each other, and gradually move from the original passive level to the dominant level. For example, the company's latest products and latest consultations are actively infiltrated into potential consumers on a regular basis (here, potential consumers refer to consumers who are interested in knowing and want to try Uniqlo products and services). In the action link, all the efforts of the marketing staff are fully prepared for the next transformation link.(Austin,2018)

7.3 Convert

Transformation is what marketers expect, but they should be careful everywhere. First of all, the transformation is based on a good opportunity, the customer's early maintenance has basically ended, and the degree of transformation depends on the previous efforts of the marketing staff.(Christopher,2017)

Secondly, the success of transformation lies in whether the products provided by marketers are what the other party wants, wants and wants. If the products or services are lower or higher than the expectations of potential customers, the transformation is doomed to fail. Therefore, at this moment, we should export products and services carefully. Our actions are better than our words. We should prove our own value by our own actions and avoid excessive commitment.

7.4 Engage

Participation links are retention and later value-added links. First of all, marketers should continue to maintain good customers, because as long as customers are loyal to the brand, they will provide endless value to Uniqlo. Excellent enterprises

will establish long-term relationships with consumers, so that consumers will feel at home every time they go to the store or buy, and provide customer satisfaction survey, aiming to better participate in consumer spending decisions and effectively influence them.(Richie,2018)

Uniqlo provides not only products, but also a sincere, sincere and true service. Marketers can win customers' trust by virtue of enterprise's high-quality products, biased marketing, attractive reward mechanism, their own personality charm and professionalism, and thus develop to the closed-loop stage of RACE model. At this point, an ecological system will be initially formed, and waiting for marketing partners will be customer satisfaction and customer loyalty!(Austin,2018)

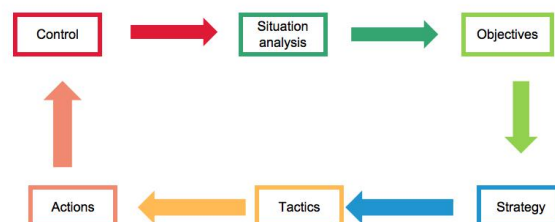
8. Recommendations on Resource Requirements

Human resources: It is necessary to set up a proprietary innovative customer care marketing team in order to achieve a better customer experience.(Brandon,2019)

Time: In order to create a good experience for customers, if it is proved to be effective after practice, it is hoped that it can continue to run in Uniqlo.

Capital: In order to achieve the marketing effect, it is hope that company can provide more budget.

9. Suggestions for Monitoring Performance



Planning stage using data-driven method, evaluate the effectiveness of digital marketing strategy currently being implemented, customize analysis, set KPI Dashboard.(Christopher,2017)

Reaching stage use six major online marketing technologies to enhance brand awareness and website visits.(Christopher,2017)

Interaction stage by arousing users' enthusiasm and encouraging users to generate more interactions on websites or social media.(Richie,2018)

Transformation stage use technologies and methods such as retargeting, user training, and optimization of conversion rate to remind the target audience to complete the purchase through more important ways, such as online phone call or offline sales.

Interactive stage through websites, e-mails, social media marketing, etc., improve the degree of personalized communication and interaction with customers, so as to further extract more value from existing customer groups and improve performance.

In addition, it can also set assessment KPIs based on the following points.

Select the indicators to be monitored, and make sure to select those indicators that will have an impact on your organizational goals. Uniqlo Digital Marketing can monitor the number of people covered and the interaction of visitors.(Brent,2020)

- Associate budgets with key performance indicators.

Digital marketing KPI is established based on the principle of S.M.A.R.T Each participant should have a clear understanding of his KPI and daily goals. For different participants, even if KPI is clearly quantified, it is easy to have different understandings of objectives.(Christopher,2017)

- Set the limit for KPI, which can be set by using the traffic light system in Excel.

10. Conclusion

Because Uniqlo is an organization that monitors the external environment and ensures the normal operation of the internal environment, they are in a strong and flexible position in any selected and determined strategy, which can be extended to their target market and ensure that they have the ability to implement the necessary strategies to achieve these goals; According to the necessary standards, they are market-oriented organizations, not static organizations.(Christopher,2017)

11. Recommendations

11.1 Look for Opportunities with Big Data

Like energy and materials, data has gradually become an increasingly important strategic resource. Big data can help enterprises find opportunities for innovation and development in the future competition. Uniqlo can use all kinds of information to formulate targeted marketing contents and programs, launch target markets and target groups, and provide them with exclusive products and services.(Abraham,2020)

11.2 With the Help of Creative Media Marketing

The era of value-driven marketing is emerging. In the new era, these enterprises are required to pay more attention to the innovation of media channels. Uniqlo can design the latest topic scenes by using self-media, combining words, pictures

and videos, so that consumers can enter from concerned topics, participate in interaction, forward and share, thus detonating brand marketing.(Brant,2021)

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Appendix

● Organizational summary

Campaign Objective	Objectives	Call to Action	Key Media	Budget allocation	Feb	Mar	Apr	May	Jun	Aug	Sep	Oct	Nov	Nov	Dee	Jan
Brand Awareness	Build brand	Learn more	Ozone Programmatic TikTok Video Snapchat Video Spotify Radio	£20000	√	√	√									
Priority Boost	Create demand	Sign up	TikTok Lead Generation Facebook Lead Generation Instagram Lead Generation	£20000	√	√	√									
Always On Search	Capture interest from active searchers	Sign up	Google Search Ecosia Search	£20000	√	√	√	√	√	√	√	√	√	√	√	√
Boost	Convert interest	Book your place	Google RLSA Facebook Retargeting Instagram Retargeting	£10000				√	√				√	√		
Clearing	Convert interest	shopping	TikTok Video Snapchat Video Facebook and Instagram Video Google RLSA Facebook Retargeting Instagram Retargeting	£20000						√	√	√				
Deadline Boost	Convert interest	shopping	Google RLSA Facebook Retargeting Instagram Retargeting	£4000											√	√

Campaign	Phase	Media	Advert Details	Strategy	Audience Targeting	Budget	Estimated Media Results	Result Type
Brand Awareness and Open Days Campaign	Connect	TikTok	In-feed Video	Increasing brand awareness	Age: 18-35	£4,000.00	40000	Video Views
		Facebook/Instagram	Newsfeed Video	Connecting with the audience on a popular channel	Age: 18-39	£2,000.00	40000	Video Views
					Age: 18-39 Interests: Computing, Design, Film, Media, Performance, Acting, Drama	£2,000.00	40000	Video Views
		Snapchat	Video	Building awareness	Age: 18-35 Interests: Family Focused, TV & Film Fans	£2,000.00	400000	Impressions
					Age: 18-35 Film & TV Fans, Fitness Enthusiasts, Music Fans	£2,000.00	400000	Impressions
	Consider	Google	Search	Capturing active search interest	Brand Searches	£3,500.00	1167	Website Clicks
		Ecosia	Search	Capturing interest	Brand Searches Course Searches Competitor Searches	£3,000.00	1000	Website Clicks
		Facebook/Instagram	Instant Experience	Re-engaging connect	Retargeting Connect Engagers Retargeting Webpage Visitors Lookalikes of Connect Engagers Lookalike of Webpage Engagers	£1,500.00	750	Website Clicks
					Retargeting Connect Engagers Retargeting Webpage Visitors Lookalikes of Connect Engagers Lookalike of Webpage Engagers	£1,500.00	750	Website Clicks
	Convert	Google	RSLA	Recapturing search interest	Retargeting Website Viewers	£1,500.00	500	Website Clicks
		Facebook/Instagram	Lead Generation	Retargeting connect and consider engagers	Retargeting Connect & Consider Engagers Retargeting Webpage Visitors	£4,000.00	133	Leads

● Internal and external marketing audit

Internal Marketing Audit Checklist	
Operating results (by product, customer, geographic region)	On February 17, 2021, the market value of Fast Retailing Group, the parent company of Uniqlo, reached 10.8725 trillion yen at the close, surpassing Inditex, the parent company of ZARA, and becoming one of the largest clothing listed companies in the world. (Harvard Business Review, 2021)
Sales, Profit margins, costs	
Market share	
Strategic issues analysis	
Penetration pricing strategy	
Marketing objectives	Create better products or services, thus driving sales growth. (Uniqlo, 2020)
Market segmentation	
Customers of all ages	
Competitive advantage and Core competencies	
Extremely cost-effective	
Positioning	
Digital retailer	
Portfolio analysis	The parent company Fast Retailing Group has greatly reduced its M&A plans since 2012 (Jennifer, 2014) Uniqlo actively acquired some shares of other fashion brands, such as Elise in Vietnam, to gain overseas profits (Mira, 2018). Moderate investment portfolio can help Uniqlo spread risks and ensure revenue.
Marketing operations effectiveness	On February 17, 2021, the market value of Fast Retailing Group, the parent company of Uniqlo, reached 10.8725 trillion yen at the close, surpassing Inditex, the parent company of ZARA, and becoming one of the largest clothing listed companies in the world. (Harvard Business Review, 2021)
Product, Price, Promotion, Distribution	Uniqlo's products are positioned as simple and comfortable, "clothes are the supporting role, talents are the leading role", simple style, solid color design and loose version, and meet the needs of consumers of different ages and genders with simple and comfortable clothing style. Uniqlo's price is defined as cheap clothing, which does not distinguish consumers by price, and aims to be accepted by the public at an approachable price. (Xinhua News Agency, 2020)
Marketing structures and organization	
Independent marketing team	
Marketing training	
Institutionalized marketing training	
Intra- and interdepartmental communication	
Accessible communication	
Marketing systems	
Independent marketing team	
Marketing information system, Marketing planning and control systems	Uniqlo's new marketing plans and activities will be announced in advance in official website. (CBN, 2020)

External Marketing Audit Checklist

Macroenvironment
Economic: 1. Economic recession since 2008 (Gromski, P.S., Smith, A.D., Lawlor, D.A., Sharara, F.I. and Nelson, S.M. 2021) 2. The impact of COVID-19 (Kalogiannidis, S. and Chatzitheodoridis, F. 2021) 3. Economic recovery in Greater China (Mainland China, Hongkong and Taiwan) and South Asia
Social/cultural: 1. Population structure: birth rates and aging population 2. Social duty: donated money, masks, and infrared thermometers to local medical institutions and to partner factories and business partners in China during COVID-19
Technological: 1.Global access to the Internet 2.Wide application of mobile phones 3.Other technological advances (PRIAMBODO, I.T., SASMOKO, S., ABDINAGORO, S.B. and BANDUR, A. 2021)
Political:1. The internationalization — 2252 stores in 25 countries 2. Trade protectionism policy upheld by Trump's administration from 2017 to 2020 (Carvalho, M., Azevedo, A. and Massuquetti, A. 2019)
Legal: More laws and regulations on e-commerce
Environmental: Increased awareness of environmental protection and sustainable development (Polasky, S., Kling, C.L., Levin, S.A., Carpenter, S.R., Daily, G.C., Ehrlich, P.R., Heal, G.M. and Lubchenco, J., 2019.)
The Market
Market:In 2019, the cumulative operating income of enterprises above designated size in China's garment industry was 1,601.033 billion yuan. (National Bureau of Statistics, 2020)
Customers:Consumers of all ages, among which the main consumers are 18-30 years old and 30-45 years old (Uniqlo, 2020)
Market-segmentation:The price of a single item purchased by people aged 30-45 is the highest among all people. This consumer group often has stable and high income ability, and the pursuit of comfort is slightly higher than fashion. (Zhang Lan 2019)
Distribution:The competitive pressure from substitutes is very high, which lies in the low replacement cost of clothing industry. (Walters, 2018)
Suppliers: Many suppliers that provide standardized products; Long-term friendly cooperative relations.
Competition
Who are the major competitors: actual and potential: ZARA, H&M, GAP
What are their objectives and strategies: ZARA: Rapid Competition Strategy H&M: Price Competition Strategy (Richardson, 2019)
What are their strengths (distinctive competencies) and weaknesses (vulnerability analysis): ZARA Advantages: Fast R&D cycle Disadvantages: High price (Business Review, 2019)
Market shares and size of competitors: ZARA, H&M have been ranked as the first and second fast fashion brands in the world until 2020, and Uniqlo ranked third in the world. (MarkerLine, 2020)
Profitability analysis: The parent company Fast Retailing Group has greatly reduced its M&A plans since 2012 (Jennifer, 2014) Uniqlo actively acquired some shares of other fashion brands, such as Elise in Vietnam, to gain overseas profits (Mira, 2018). Moderate investment portfolio can help Uniqlo spread risks and ensure revenue.
Entry barriers: High R&D costs and difficult to provide differentiated products and customer services; the existing mature channel network.

● The first part of classroom presentation

Introduction

- **Uniqlo**
 - the **pillar brand** of Japanese company—Fast Retailing Co., Ltd.;
 - the **leading brand** in the fast fashion sector of the textile and apparel industry;
 - ranked **168th** in the top 500 world brands in 2018[1] ;
 - Has **2252** stores [2] and generated **¥ 1.65 trillion** in 2020 [3] by selling more than **1 billion** products.
- **Purposes**
 - To **present the current situation** of Uniqlo;
 - To **make recommendations** to Uniqlo for better commercial performance.

PESTEL Analysis

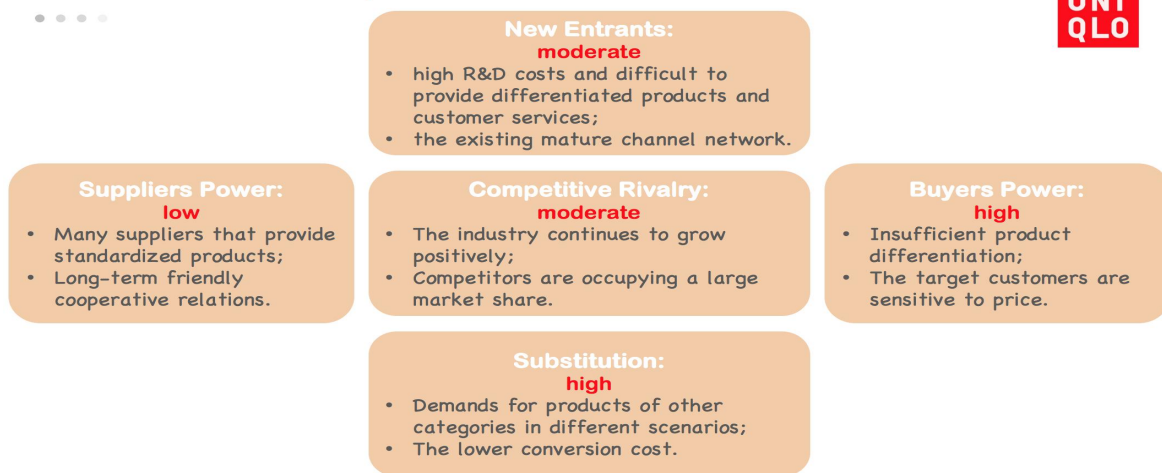
to describe the framework in which Uniqlo operates in terms of the **political, economic, social, technological, legal and environmental** factors. [4]

PESTLE	Factor	Impact
Political:	1. The internationalization — 2252 stores in 25 countries	Be subject to various commercial and fiscal policies in different markets
	2. Trade protectionism policy upheld by Trump's administration from 2017 to 2020 [5]	Intensify uncertainty
Economic:	1. Economic recession since 2008 [6]	Affect people's purchasing capacity
	2. The impact of COVID-19 [7]	• Revenue and profit decreased sharply in all overseas markets • E-commerce sales expanded: ¥313.7 billion, accounting for approximately 15% of total sales
	3. Economic recovery in Greater China (Mainland China, Hongkong and Taiwan) and South Asia	Generate the greatest growth

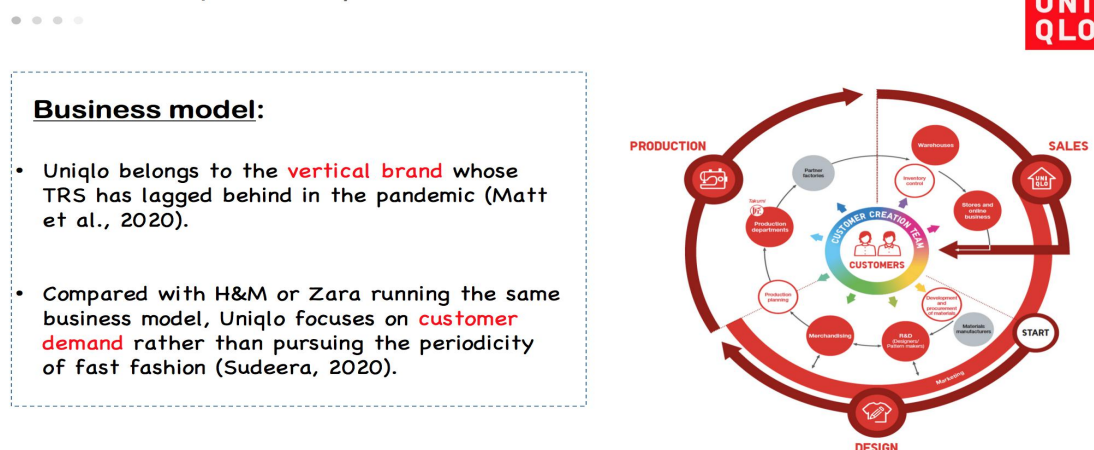
PESTEL Analysis

PESTLE	Factor	Impact
Social:	1. Population structure : birth rates and aging population	Adapt its product offering
	2. Social duty: donated money, masks, and infrared thermometers to local medical institutions and to partner factories and business partners in China during COVID-19	Improve the goodwill and publicity
Technological:	- Global access to the Internet - Wide application of mobile phones - Other technological advances [8]	Make online shopping more convenient and distribution and logistics faster
Legal:	More laws and regulations on e-commerce	Invest more in customers' data protection and information security [9]
Environmental:	Increased awareness of environmental protection and sustainable development [10]	Fulfill the corporate philosophy of "creating a better world through clothes"

Porter's Five Forces Analysis



Value creation points analysis



Value creation points analysis

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Price positioning & product categories:

- **Competitive** pricing strategy – provide low-cost and high-quality products.
- The products have many colors and sizes that **cover more consumers**.
- Many **accessories**, such as lingerie, hosiery and facemasks.

(Retviews, 2019)



UNI
QLO

Value creation points analysis

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Financial management:

- The average D/E ratio of the parent company of Uniqlo in the past five years is **higher** than that of Inditex Group (Investing, 2021).
- Uniqlo should optimize the **debt structure** and improve the efficiency of debt use in the future.

	Average D/E Ratio
Fast Retailing Group (the parent company of Uniqlo)	79.56%
Inditex Group (the parent company of Zara)	44.79%

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Value creation points analysis

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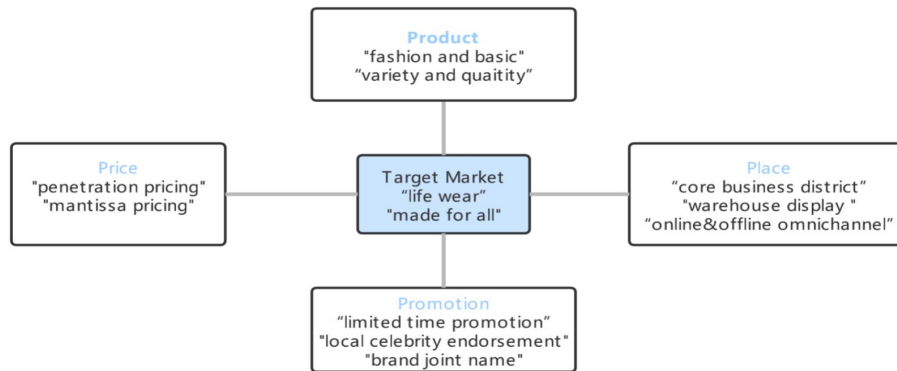
Portfolio structure:

- The parent company Fast Retailing Group has greatly reduced its M&A plans since 2012 (Jennifer, 2014)
- Uniqlo **actively acquired** some shares of other fashion brands, such as Elise in Vietnam, to gain overseas profits (Mira, 2018).
- **Moderate investment portfolio** can help Uniqlo spread risks and ensure revenue.



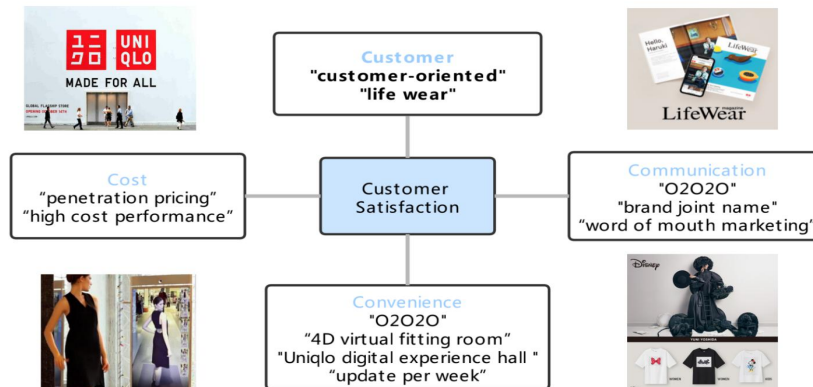
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UNIQLO'S 4Ps ANALYSIS



(McCarthy proposed in the 1960s)

UNIQLO'S 4Cs ANALYSIS



(Lauterpen proposed in 1990)

TYPICAL CUSTOMER EXPERIENCE



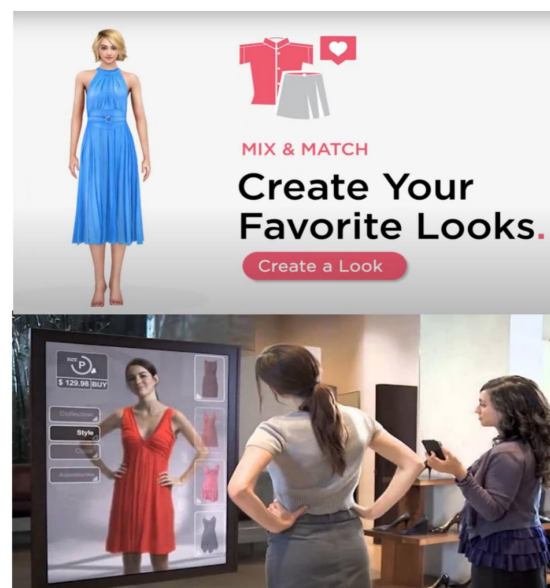
4D VR Fitting Experience

The 4D virtual fitting room allows customers to try to **wear clothes without taking off their clothes**, and makes customers feel like they are standing on the streets of new york, Paris and Tokyo. This has brought customers a better product and shopping experience.(David,2015)



O2O2O

Committed to integrating online and offline and supply chain, and analyzing the data generated by consumers **in various contact channels** with clothing brands, so as to create a better user experience.(Nebahat,2020)



TYPICAL CUSTOMER EXPERIENCE



Customer Insight Team

Using big data to conduct online analysis in customer center to **predict customer demand** and **optimize product design**, supply quotation and sales will help Uniqlo understand customer demand and design customer preferences. (Rühle,2020)



Low Price and High Quality

Uniqlo maintains **higher quality** and sustainability at the same price. As the first brand of fashion basic models, Uniqlo occupies **the first position** in consumers' minds.(Mayu,2019)



DISADVANTAGES



Chaos brought by warehouse display

At the peak of shopping, the increase of customers makes the storefronts of warehouse display more **crowded**, and the confusion caused by customers' **selection of goods** is not sorted out in time, which will significantly affect the experience of **subsequent customers**.(Aker,2021)



The target market positioning is not clear

Uniqlo is currently targeted at **all age groups**, from children to the elderly, young customers will often find the shopping group of the elderly, which will **relatively affect** the shopping experience of young people who are pursuing fashion, and will make young people more inclined to choose H&M and ZARA.(Tokatli,2020)



Recommendation

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RFID tags

Autonomous delivery robots and store assistants

Cashierless stores

Physical channels are enriched by digital technology. while digital channels become more human. The net result is a more personalized and engaging experience.

CRISTINA SÁINZ DE LA FLOR. (2020) What's Phygital in the Customer Experience?. Available at: <https://www.waremarketing.com/blog/whats-phygital-in-the-customer-experience.html> (Accessed: 2 May 2021).



Phygital

A shopping journey in which physical experiences and digital technologies intertwine to enhance one another.



Recommendation

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RFID tags

Comparesoft. (2021) RFID in Retail: Why It's Good for Retailers and How to Use It. Available at: <https://comparesoft.com/assets-tracking-software/retail/rfid-in-retail/> (Accessed: 2 May 2021).



One of the most exciting developments in the use of RFID is its potential for changing the way customers browse and shop for products in brick-and-mortar stores. The concept behind this is to reduce checkout queues and shorten the POS stage.

Recommendation

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Autonomous delivery robots and store assistants

Robotic store assistants have built-in 3D scanners that help them identify products and can even guide customers to them by navigating through the store.

Ben Forgan. (2020) What Robots Can Do for Retail. Available at: <https://hbr.org/2020/10/what-robots-can-do-for-retail> (Accessed: 2 May 2021).



Recommendation

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Cashierless stores

The ability for customers to simply walk out of the store with their items being scanned automatically and the total debited from their account will likely soon become widespread.

GARIMA. (2020) Cashierless Stores – The Self Driving Technology that is Reinventing Retail. Available at: <https://www.netsolutions.com/insights/cashierless-stores-future-of-retail/> (Accessed: 2 May 2021).