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Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

**Esprit Holdings Limited -
Strategic implementation plan for
HK casual wear market**

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ABBREVIATION TABLE

CEO	Chief executive officer
Esprit	Esprit Holdings Limited
e-shop	Online internet electronics shop
GDP	Gross Domestic Product
HK	Hong Kong
HKEX	The Stock Exchange of Hong Kong
HKTDC	Hong Kong Trade Development Council
KPI	Key Performance Indicators
USA	United States of America

1 COMPANY BACKGROUND

Esprit Holdings Limited is a well-known fashion manufacturer founded in San Francisco, California in USA in 1968. It is a public listed company in Hong Kong (HKEX stock number 0330). Esprit has set up two headquarters in HK and Germany. The current CEO is Mr. Anders Christian Kristiase who has been appointed in June, 2018 with rich experience on top management in fast fashion industry is now leading 6,400 of full-time employee in the group (Esprit, 2018).

During 2018 fiscal year, the company is suffering a major impact from the finance loss of HKD \$ 2.56 million as compared to the profit of HKD \$ 67 million in 2017 and HKD \$ 21 million in 2016. As result, the company has already started a major re-structure by closing the flagship Hong Kong store in Kowloon and minimizing other non-profit stores, employee cost and other expenses as well (Esprit, 2018).

Meanwhile, the local Hong Kong location has been facing rapidly drop in revenue by 34.2% from HKD 265 million in 2017 to HKD 174 million in 2018.

Table 1 - Revenue by Region / Location

Location/Country	2018 HK \$ Million	2017 HK \$ Million	Revenue change in %
Germany	7,791	7,932	-1.8%
Rest of Europe	5,769	5,866	-1.7%
Asia Pacific	1,895	2,144	-11.6%
Hong Kong	174	265	-34.2%

Source: Esprit (2018)

The collected data and information are completed through study, review and observation methods by using macro and micro environment assessment as well as the corporate and business strategy. In additional, these related information was extracted from company financial statements, company public news, academic journals, books and newspapers. Comprehensive strategies implementation will be proposed into action to achieve the goals along with the contingency plan for backup as well.

2 THE MARCO & MICRO ENVIRONMENT ASSESSMENT FOR THE HK CASUAL WEAR INDUSTRY

The marketing environment of the HK casual wear industry can be influenced by the combination of internal or external factors consisting of Micro and Marco environment. The Micro environment refers to the forces that are close to the industry and its ability to service the consumers while the macro environment could not be controlled due to external factors like economy, political and so on.

2.1 MACRO ENVIRONMENT

The Macro environment consists of wider societal authorities and uncontrollable factors by the company including demographic, political, economic, social and technological forces. By using the powerful PEST analysis method developed by Professor Francis Aguilar at Harvard Business School in 1960s, it can help Esprit evaluate the direction and improve business performance (Carruthers, 2009).

The following analysis of the impact prioritize and listed in sequence.

Economic: The HK is known a well-developed free marked with low taxation and attractive free port but the economy is facing substantial downward pressure since four quarter of 2018. The key impacts are the softening global economic growth, the US and the Mainland trade tension, slowdown of the manufacturing sector and the months of on-going protest has reduced the local shoppers and tourists desire to spend on goods (Hong Kong Economy, 2019).

The recent Report of monthly survey of retails sales from Census and Statistics Department (2019) in August 2019 showing that the value of sales of Wearing Apparel has massive decline of 33% when comparing with August 2018 (Refer to below table 2).

Table 2 - The value of sales of Wearing Apparel during January to August 2019

零售商類別 Type of retail outlet	2019								
	1^	2^	1-2^	3	4	5	6	7	8*
衣物、鞋類及有關製品 Clothing, footwear and allied products	120.8 (+6.1)	112.6 (-10.7)	116.7 (-2.7)	102.8 (-1.5)	99.9 (-3.1)	94.6 (-4.3)	84.5 (-6.4)	84.9 (-13.0)	57.5 (-32.1)
服裝 Wearing apparel	114.6 (+3.1)	112.5 (-9.4)	113.6 (-3.5)	105.9 (-2.6)	101.7 (-2.9)	94.0 (-5.2)	82.0 (-7.4)	85.1 (-13.4)	54.1 (-33.4)

Note: The Wearing apparel are included Boutique shops and retail outlets selling garments, sportswear, evening dresses, fur clothing and accessories like gloves, hats and leather belts, etc.

Source: Census and Statistics Department (2019)

The 2019 GDP Q1 & Q2 shown the decreased significance as below Table 3.

Table 3 - GDP growth of Hong Kong

Year	Quarter	GDP			
		At current market prices		In chained (2017) dollars	
		HK\$ million	Year-on-year % change	HK\$ million	Year-on-year % change
2016	Q1	590,556	3.2	614,165	1.1
	Q2	585,135	3.4	607,780	1.8
	Q3	636,393	3.6	653,096	2.3
	Q4	678,533	5.0	689,089	3.4
2017	Q1	632,128	7.0	641,053	4.4
	Q2	629,105	7.5	631,800	4.0
	Q3	680,303	6.9	676,801	3.6
	Q4	721,300	6.3	713,182	3.5
2018	Q1	686,367	8.6	670,819	4.6
	Q2	675,260	7.3	654,271	3.6
	Q3	726,352	6.8	696,011	2.8
	Q4	754,904	4.7	721,686	1.2
2019	Q1	712,514	3.8	674,829	0.6
	Q2	698,700	3.5	657,429	0.5

Source: Census and Statistics Department (2019)

The Census and Statistics Department (2019) is pointed the unemployment rate of HK is 2.9 % in July 2019 which has raised 0.1 from June 2019. Although it is still considered as a lowest rate, higher unemployment rate will be foreseen as the globe economy growth is actually slowing down. Refer to below table 4 for details

Table 4 - The unemployment rate of HK

Last	Previous	Min	Max	Unit	Frequency	Range
2.90 In July 2019	2.80 In June 2019	1.00 In Dec 1989	8.50 In Jun 2003	%	Monthly	Oct 1981 to July 2019

Source: Census and Statistics Department (2019)

Political: The HK political has been stable with no major variations of the legislative bills, safety & health laws and tax policies for the past few years. However, Fitch (2019) has recently downgraded HK rating from AA+ to AA on September 5, 2019 because of anti-government protest since June 2019. As result of the blockades, protest and sit-ins have alerted the riot polices, citizens and tourists. The overall number of visitors have been declined by 39.1% significantly as compared to previous data (Hong Kong Tourism Board, 2019) in Table 5 below:

Table 5 - Number of Hong Kong Tourism

Market Area	August 2018	August 2019	Growth (%)
Overall tourist from all Countries	5,895,951	3,590,571	-39.1

Source: Hong Kong Tourism Board, 2019

As for the Environmental, Social and Governance (ESG) consideration, HK remains strong and has scored rating of 5 for the Political Stability and Rights which is the highest sovereign rating model weight in the World Bank Governance Indicator (Fitch, 2019).

Technological: The technological is considered as the most dramatic forces because new technologies help create new product, new production method, new market and new sale opportunities. As the online shopping has already become a trend, it brings a revolution change on promotion, sale, payment and delivery goods methods.

The electronic payments will be more popular and eventually become the norm in the next 3 years because customer can settle the payment by credit card and also new payment like WeChat pay, Alipay and Faster payment system which have been

announced to implement by The Hong Kong Monetary Authority in September 2018 (The Hong Kong Monetary Authority, 2018)

With the new innovations, it enables customers to purchase online at anytime and anywhere without travelling to the physical store.

Social media will be another new trend of advertisement as it is much easier to get customer connected.

Social: Esprit should identify the cultural factors trends well before finalizing the marketing schemes. With trend change in heritage, lifestyle, religion can affect the marketing mix strategies and the socially responsible strategy. Also, the changes in attitude towards health-conscious and increased fitness activities and demographic forces of structure of the population would impact the purchase behavior.

In summary, as it remains uncertainty with US-China trade war and anti-government protest, these cause long-term effects to the local retail industry and tourism as well. The worst is not yet to come as many shops may be closed down because of suffering losses continuously.

Due to economic crisis, consumer confidence will be an important fact to determine their spending. In this case, it will cause lower spending or customer may spend most on discounted products instead of new release at regular price. If confidence returns, the spending will rise again.

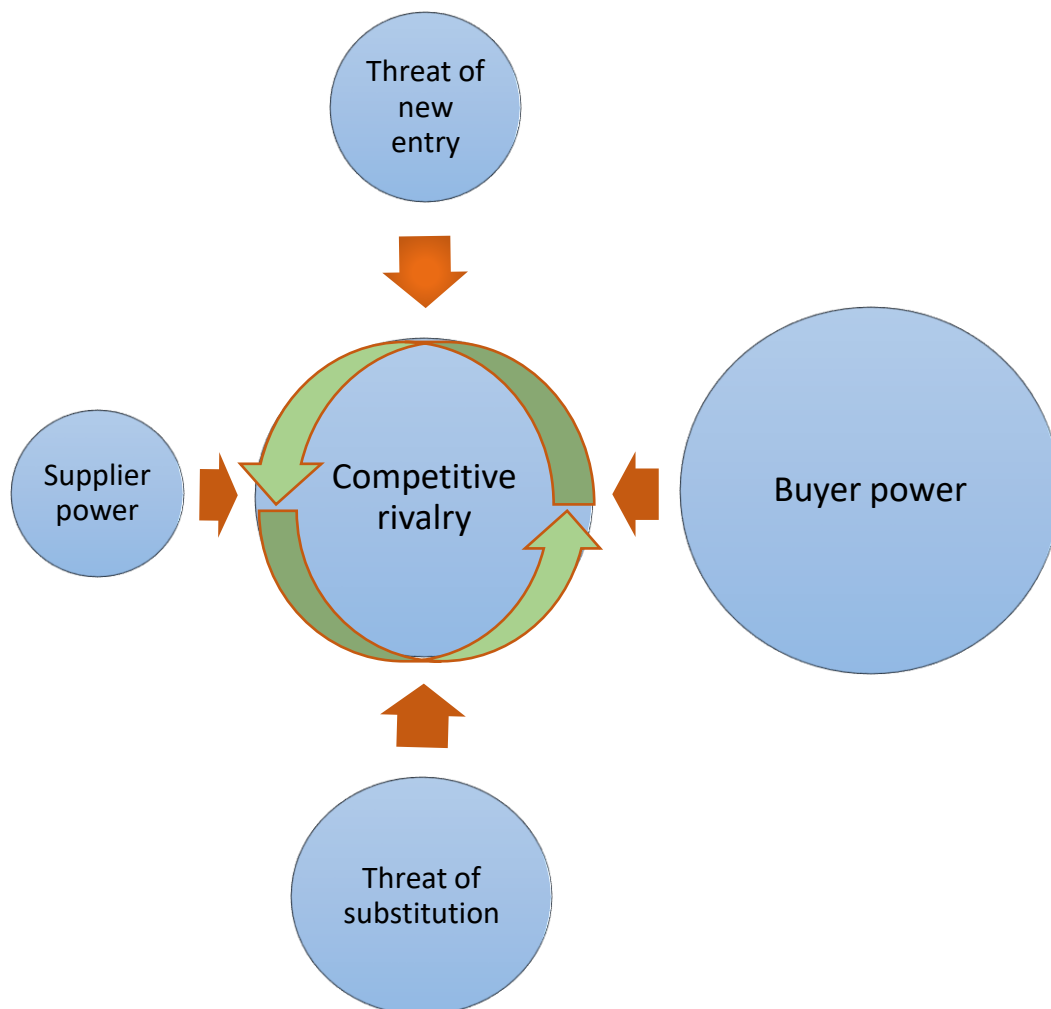
As technology keeps changing the manner of the customer shopping experience, there is growing number of customers with buy-now mindset. With advance development of mobile online shopping technology, it enables to meet increased customer demand.

2.2 MICRO ENVIRONMENT

The micro environment refers to the forces that will impact or influence the casual wear industry directly. By applying the Porter (2018) five forces competitive position analysis, the casual wear industry can be simply evaluated the competitive strength, weakness and attractiveness of the market and help the company determine the potential profit.

Here is Michael Porter 5 forces analyzes the impact of the casual wear industry in scale shown below:

Figure 1 - The Michael Porter 5 forces analyzes in impact scale



Source: Drawn by Kyle Wong, 5 forces size in scale, reference Porter (2008)

The casual wear goods is considered as normal goods and the quantity demands will be increased as the income of the consumer rise.

1. Competitive rivalry – It is the most important force as the casual wear is considered as an undifferentiated goods as there are many competitor offering the similar product as Hong Kong. However, it has been on the downward trend since 2017, especially the number of establishments (companies) which has been decreased by 8.3 % from 11,654 to 10,666 during September 2017 to 2019 as shown below table 4. As result, it represents fewer rivalry existing in the market which is not that attractive (Census and Statistics Department, 2019).

Table 6 - Quarterly report of employment & vacancies statistics in wearing apparel

Items	2017 (Sept)	2017 (Dec)	2018 (Mar)	2018 (June)	2018 (Sept)	2018 (Dec)	2019 (March)	2019 (June)
No. of establishments (companies)	11,654	11,431	11,442	11,290	11,126	11,008	10,866	10,686
No. of person engaged	40,977	41,303	40,870	40,706	40,627	40,755	40,057	39,179

Source: Census and Statistics Department (2019), Census and Statistics Department (2019), Census and Statistics Department (2018), Census and Statistics Department (2018), Census and Statistics Department (2017).

2. Buyer power – As the casual wear products are not daily necessities, consumer tends to purchase when there is an actual needs or bargain sales. The consumer can easily take advantage of the price down during end of season sale and almost no cost for buyer to switch to another supplier.

3. Threat of new entry – According to the Report on monthly survey of retails sales from Census and Statistics department (2017) (2019), the Wearing apparel of the retail outlet value index and value of retails sale per month are on the steady paced. Refer to table 7 below.

Table 7 - Type of retail outlet – wearing apparel

Type of retail outlet – Wearing apparel	2016	2017	2018	2019 (Jan to July)
Value index of average yearly index (average monthly index from Oct 14 to Sept 15 = 100)	92.9	93.4	99.0	99.5
Value of retail sales per year, in HKD \$	49,590	49,870	52,886	30,978
Average per month in HKD \$	4,132	4,156	4,407	4,425

Source: Census and Statistics Department (2016) Census and Statistics Department (2017)
Census and Statistics Department (2018) Census and Statistics Department (2019)

In additional, there is very limited patents, no minimum capital requirement, government policy, special registration, economic of scale to barrier the new entries in the casual wear industry.

4. Threat of substitution – There are many similar substitute products existing in the market as casual wear like sport wear, business casual, streetwear style etc. The consumer can change their needs with price change that reduces the supplier power and market attractiveness.
5. Supplier power – Since the casual wear products are manufactured from oversea and transported to HK easily. Therefore, there are a lot of suppliers for choices and competitive prices can be offered among the supplier. The uniqueness of the casual wear which allows to switch another supplier for better offer.

The summary of the Micro environment

Forces	Threat Hi / Med / Low	Impact on Profitability
Competitive rivalry	Hi	Less competitors in the market due to higher increase in labor and manufacturing costs which remains them with lower margin as they can't obtain competitive prices from supplier. By offering lower prices in the casual wear industry, it really leaves low margins due to increased costs.
Buyer power	Hi	As the buyer can switch the retailers at no cost, this is an important factor to lead the retailers to drive price down in order to attract more buyers. By offering lower prices, it leads to lower profitability.
Threat of new entry	Med	There is limited patents and low barriers to entry into the casual wear market and it does impact the profit by new entry.
Threat of substitution	Hi	Easy access to substitute products in the market. More alternatives price decrease lead to low profitability.
Supplier power	Low	Since there are many suppliers available in the market, the cost therefore continue keeping more competitive as no switch cost involved for new suppliers

3 THE CORPORATE STRATEGY AND BUSINESS STRATEGY

A well-planned strategy is an integrated plan which the company uses to achieve the ultimate goals. The strategies can be implemented in two levels - business and corporate levels.

The corporate strategy is the overall company objective and longer-term plan to maximize the profit, business growth and meet the stakeholder expectation. Moreover, the business strategy focuses on product choice, competitive advantage and consumer satisfaction (Smith, 2019). Here is the local Hong Kong marketplace as below table 8.

Table 8 - The different between the business and corporate strategy

Different Function	Managed by	Major strategic	Focus	Involvement	Timeframe
Corporate Strategy	Senior level management	Merge, expansion, retrenchment	Maximize the long term growth and profit	The entire business company	Usually long term, 2 or more years
Business Strategy	Middle level management	Local cost reduce, market sale, manpower	Compete with other competitor with the local market	business unit or local country division	Usually short term, 1 to 2 years

The different management of business and corporate levels strategies guideline have been defined. Then, the next step is to evaluate the effectiveness of each strategic applied by Esprit recently.

Corporate Strategy

Type of strategy	Completed action	Effectiveness
Integration strategies		
Forward Integration	Esprit retail shop and e-shop Control the wholesale including franchise store, shop-in-store, etc. (Esprit, 2018)	It can benefit the whole control of end-to-end process from manufacturing, marketing to sales
backward Integration	Esprit has outsourced all production to third party supplier. No actual factory is owned by Esprit but has strong supply chain mapping process Reduced number of supplier for better quality control (Esprit, 2018)	No factory is owned by Esprit as it is difficultly in managing 45 factories located at Bangladesh It can improve efficiency and cost savings
horizontal Integration	Not found	Not found
Intensive Strategies		
Market penetration	Fashionable chinos style of sweater is a big hit and summer style T-shirt (Zha, 2018) Refurbished the retail shop to a boutique-style shop Refer to Appendices A – Shop layout	Esprit is strong in sweaters and T-shirts which can make up more than 50% of its assortment
Market Development	Shop closure more than 40 non-profit retail stores globally in 2018 and re-open new stores (Li, 2018) Beside Retail stores, Wholesale (points of sale) is the second highest percentage of group revenue Planning to add 220 new stores in China by 2023 for new market development(Zha 2018)	It is a right decision to save a significant cost Points of Sale is managed by third parties and e-shop. It enables to reduce the cost, time and manpower effectively The expansion is too fast at this stage since Esprit is still in retrenchment period
Product Development	Partnership with designer Craig & Karl launch new special edition colorful collection (Esprit, 2019)	Bring new element into new collection for young generation.
Diversification Strategies		
Related Diversification	Esprit offers not only clothes but also lifestyle goods (e.g., towels, bed linens) Refer to Appendices A	Great synergies of related diversification Created strength with different product lines to achieve cost saving
Unrelated Diversification	Esprit has a license theme of home, kids and lifestyle	Fast method to expose new market at low cost with well-

	products including furniture, carpet, wallpaper, toys, golf etc. (Esprit, 2018)	control over the vendor and quality to fulfill the corporate requirement
Defensive Strategies		
Retrenchment	Number of employee has been reduced by 900 people and has 6,400 full-time employee as of June 2018 Senior Executive team has already reduced from 13 to 6 people in 2018 (Van-Elven, 2018) Closed 80 stores worldwide in 2018 (Zha, 2018) Merged five offices from both Germany and HK into one office(Van-Elven, 2018)	Reducing the operation costs substantially including store rent, office rent and labour etc. Effective way to reduce fixed cost.
Divestiture	None	None
Liquidation	The property, plant and equipment fixed asset has been reduced from HKD \$ 1,900 million to HKD \$ 1,571 million (Esprit, 2018)	By reducing the fixed asset, the company can increase the cash flow It is a suitable defensive strategy
Low cost leadership	Reduce the number of items or options by 20 to 30% (Zha, 2018). Request landlord for rent reduction (Zha, 2018). Shop closure, labour reduction Supply chain partner reduction and trend in purchase from those countries with lower labour cost (Esprit, 2018)	Effective to reduce the development costs and complex stock management By reducing cost, it can turn profitability. Shortlist suppliers allows the effective control of production over different region.

Business strategy

The Business strategy is applied for the local HK market

Type of strategy	Identified action	Evaluated Effectiveness
Cost leadership	Closed HK 10,000 sq.ft flagship in Tsim Sha Tsui, HK in 2018 (Li, 2018) Reduced HK office space Reduced 31 % of non-store staff The retail price is set as medium price with good quality (Esprit 2018)	Reduce the fixed cost and labour cost. In HK market, most customers prefer fast fashion rather than good quality of products at medium price. Limited and appeal to certain customers.
Strategies		
Market target broad	Target board of clothing goods in Men and Women only Refer to Appendices A	In fact, Esprit is not offering wide range of collections like kids, sport and lifestyle sections like H & M and Zara.
Competitive advantage	Offer both casual wear in-stores and online e-shop (Esprit 2019) Refer to Appendices A and B	The online platform enables to access tons of customers all over the world.
Intensive Strategies		
Market penetration	Same casual wearing design as global design. No custom local design tailor-made for Hong Kong Refer to Appendices A	Styles selling in HK are exactly same as those in Europe. May not fit in HK market as people prefer trendy style.
Market Development	Esprit has 9 direct manage store in HK, details from 2018 annual report HK customer can purchase directly at the e-shop at HK (Esprit 2019)	Weakness in traditional and social media advertising which can't increase brand exposure in the fashion market.
Product Development	Mostly focus on Sweater in winter and T shirt in summer only (Esprit 2018 & Zha, 2018)	Without consideration of HK climate, the weather in winter is not that cold enough to put on sweater often. T-shirt has wider choice in the market. Esprit has no further or wider development on other products which fit in HK market.

Best-cost provider competitive strategy	Offering good quality, comfort shopping area and markdown less (Esprit, 2018 & Zha, 2018)	Better quality at better price compared to other high-end brand but the style selection are limited
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4 RECOMMEND IMPROVEMENT STRATEGIES PERFORMANCE AND EFFECTIVELY IMPLEMENT

Here are the 4 steps to improve strategies performance:

Step 1 – Determine the position

- a) By using the analyzed Macro and Micro environment assessment for the HK casual wear industry as well as the above identified & evaluated the corporate and business strategy.
- b) To collect customer feedback and market research from HKTDC research (Chan, 2018) and HKTDC research (HKDTC, 2018)
- c) To determine the company resource, employee strength & weakness and improvement strategic timeframe (Esprit, 2018)
- d) Finally, by placing all the collected data and input into four components of SWOT analysis to translate into a strategic actions and set priorities as below Figure 2.

Figure 2 - SWOT Matrix

SWOT Analysis	
Strengths - opportunities	Weaknesses - opportunities
- Well-established brand name to be awareness among different group of clients - Experience product design team for new development - Great network of variety suppliers to achieve cost and productivity efficiency - R & D allows to catch up the market trend	- Re-define the overall view of company objective and direction - Improve long turnaround inventories - Continue to lower cost on rent, labour and process time
Strengths - Threats	Weaknesses -Threats
- Focus more on HK casual wear for young generation - Sponsor local HK sport event, (e.g. Marathon & HK rugby sevens) to promote new sport wear & accessories - New line for sport section like yoga and running outfit - Increase e-shop sale through social media campaign	- Many local and oversea casual wear competitor - Competitor offer full ranges of clothing including baby, kids, men and women sections. - Shop position should be placed in shopping mall where can access customer anytime

Source: Wickham and Wilcock (2016)

Step 2 – Develop strategies

Once the current position and data have been put into summary of SWOT analysis. The next step is to re-define the vision and mission:

Mission: To become the best Circular Fashion Company from design smart, produce responsibly, ship & sell sustainably, extend product life and reuse & recycle.

Vision: To achieve Best-Cost (best value) casual wear and sustainability provider with well pricing, quality, selection and service

Here are the list of the strategic objectives:

a) **Product Development Strategy** – Tend to hire local HK-based designer who should have good sense for HK market mainly focusing on aged 20-30 young adult, it can boost the profit accordingly as this age group has higher purchasing power.

Also, Co-branding partnership (crossover/Joint Promotions) between two companies can boost the brand awareness and the sale. As per the survey by HKTDC Research on Appendices C, it shows the higher preference of Co-branding partnership.

Market penetration strategy – as a sponsor with HK major sport events, e.g. Marathon & Rugby Sevens and yoga club to increase the exposure in the market. By offering premium quality of customized Marathon shirt, towels, socks and other accessories with runner name and number. This items can become collectable and remarkable and it can help with Esprit logo for marketing purpose.

- b) **Market Development Strategy** - to enhance the online E-Shop sale channels and success marketing can drive attention to customers directly. By promoting products through local HK social media like Facebook, instrgram and youtube. Blogger is another best helper to let more people know about the new collection.

To develop and enhance new virtual fitting technology and video shopping. The shopper can input their key body dimension, preference, season which the system could provide the trend and suggestions with these data individually.

- c) **Best-cost provider Strategy** – to continue being the Best-cost provider but need to re-define the focused differentiation strategy part. Offering new nanotechnology into sport wear goods, unique can always bring stronger differentiating effect, value, quality and brand image.

Participants

The following person will be the participant Chief Strategy Officer (project owner), HK operation manager, HK branch manager, HK human resource manager, HK finance manager, HK IT manager, HK fashion design team and HK Supply Chain and other person, if invited.

Step 3 – Implement and evaluate strategy

The balance scorecard is a framework to manage the strategic approach and performance management method with the four perspectives of Financial, customer, internal activates and learning & growth (David and David, 2017) and applied as below:

The balance scorecard method

Strategic Objectives	Measure	Targets	Initiatives
Financial 	Net profit Revenue increase Operating cost	+5% +30% -15%	Standardize production Set goal for all employees financial objective
Customer 	New sport wear sale big data customer analytics	+18% +25%	Sport event sponsorship New advertisement with HK young athletics stars
Internal activates 	Collect survey online at E-shop Measure each procedure process time	70% +20%	Optimize cycle time program Digital transformation program
Learning & Growth 	Training records & internal tests Team work	95% 95%	IT program - Digital product course Project management Course

Step 4 – Manage strategies

To achieve the strategic objectives, the tasks as well as the responsibility must be clear defined and be able to execute. The proper resources should be allocated so that they can proceed accordingly without any delays. The required training, software, equipment have to be planned ahead.

The Key Performance Indicators (KPI) can be used to manage and keep track of the each assigned tasks and the due date whether the performance is well or not. The Chief Strategy Officer acts as project leader responsible for cross-functional & works effectively together with all members among departments.

All the participant members must fully understand the company mission, vision and their role towards each strategic action so that they can all contribute towards the same goal. Moreover, Clark (2008) recommended the accountability should be clearly established so that everyone is aligned and works towards the same goal.

Step 5 – Implement strategy effectively

The implementation is to execute the recommended strategies into actions in order to meet the objectives. The key challenges is to monitor and keep tracks of each assigned tasks as well as ensure to be completed it before due date. The following methods / tools will be implemented:

1. To update performance schedule or a Gantt Chart project schedule by using software system. It is a horizontal bar showing the schedule dependency between each activities and the percent complete indications. The Chart is recommended to use different color of lights (Red, Yellow or Green) and show the strategic initiatives on track or not and keep track of the due date, milestones as well as the hours worked.
2. To arrange bi-monthly meeting with local team, monthly department meeting, quarterly meeting of management team for regular review process. All

members should establish KPIs, monitor status and make process correction adjustment as necessary.

3. When the task is required for additional budget, time and manpower, it should be informed all the department management and then to be approved by the Chief Strategy Officer. The key success is to share the strategic accomplishment with employees regularly by encouraging new suggestion. It can help connect everyone and support the strategies plan.

5 CONTINGENCY PLAN

The contingency plan is a strategy devising for a specific scenarios when the original plan fails. It specifies the alternative solution in result of emergency, unfavorable events, strikes or state of affairs. Moreover, David and David (2017) recommend that the contingency plan can be applied for further opportunities arise and gain better competitive position. The plan should be focusing on the high priority areas or key process but not for every step and it should be simple, direct and easy to execute.

The following critical scenarios may be arise:

1. Information Technology problems – The company should have alternative system or procedure when the compute server or network is temporary out of service. It could at least allow basic operation and sale function to be operated.
2. Supply Chain problem – With the risk of trade barriers, economic conflict and excepted tariffs taxes, the company should diversity the manufacture site into different countries. Currently, Bangladesh (33%) and China (26%) have the highest total production volume.
3. Dissatisfied sale target – In additional, Esprit can further expand the Co-branding partnership (crossover/Joint promotions) with other companies or industries since it has competitive assets of resource of approximately HKD 4.5 million net cash with zero debt available (Esprit, 2018). Esprit can cooperate with Airline Company by offering premium quality travel kit including blanket, towel and socks for first-class or business-class passengers. Small items with Esprit logo could be available on the airline catalogue to increase exposure.

4. Competitor withdraws from HK market – in case there is competitor exiting the HK market recently in September, like Forever21 Inc. (Liu, 2019). Esprit can consider using Horizontal Integration strategy to advance the sale volume, market shares, human resource talent and increase the economics of scales.

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APPENDICES A – ESPRIT STORE AT CENTRAL, HK

The photographs below were taken at Esprit Store on 110-116 Queen's Road, Central by Kyle Wong on September 14, 2019

Photo 1: Refurbished the HK retail store to a boutique-style decoration shop



Photo 2: The discount sign displayed to attract customer at the main entrance



Photo 3: Sweater with European bright and vibrant colour into collection



Photo 4: Women and lifestyle section is on 1st floor



Photo 5: The life style section including accessories are located by the cashier to keep customer shopping while lining up for payment.



Photo 6: The Men section is on the 2nd floor with well-organized and display.



APPENDICES B – ESPRIT HK E-SHOP WEB SITE

Photo 1: Esprit offers extra promotional discount at E-Shop online and it is more attractive.

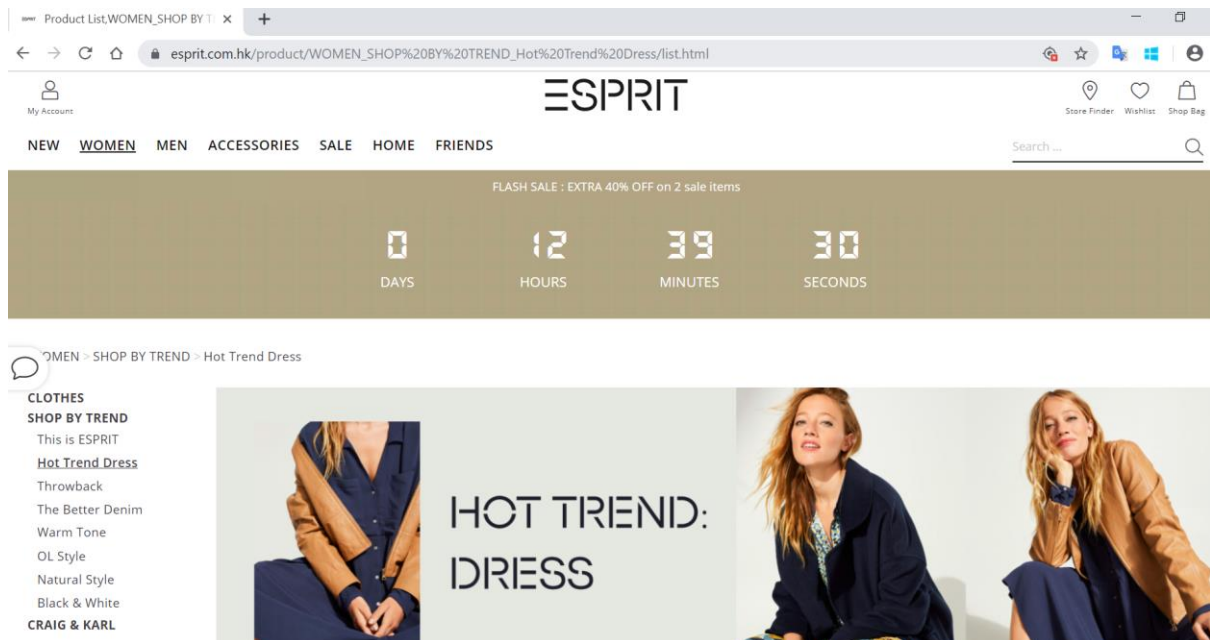
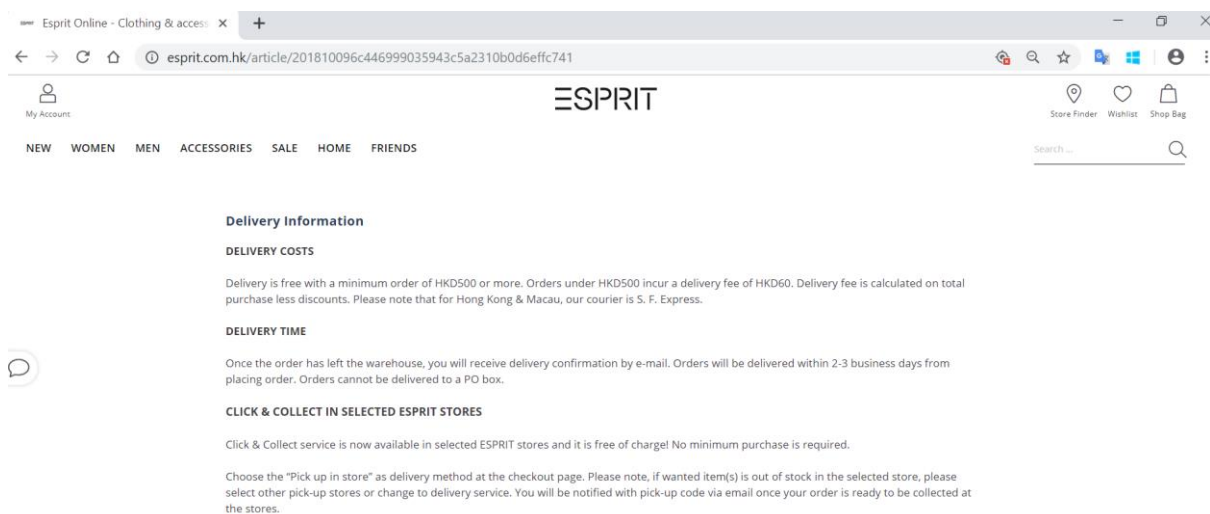
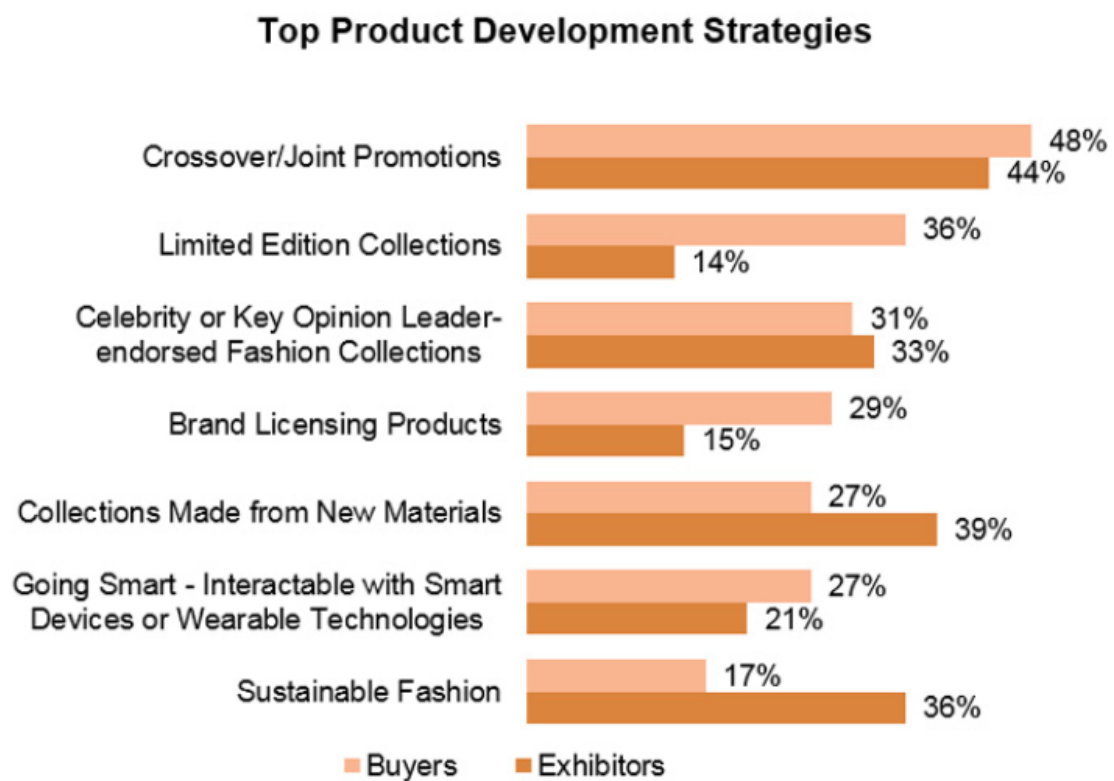


Photo 2: Esprit offers free delivery when the order is HKD \$ 500 or more. It helps simplify the total cost and process.



APPENDICES C – THE SURVEY OF TOP PRODUCT DEVELOPMENT STRATEGIES

The Co-branding partnership (crossover/Joint Promotions) has the highest picked from both buyers and exhibitors during the survey.



Source: HKTDC (2018)

Student Self Evaluation Form			
Student name:	Wong, Si Ming Kyle	Student number:	1812211
Programme:	Strategic Management	Year of programme	1.5 years
Assignment Title:	Esprit Holdings Limited - Strategic implementation plan for HK casual wear market		

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER			PASS		DISTINCTION	
	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY	GOOD to VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Engagement with literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	☐	√
2. Knowledge and Understanding	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐
3. Cognitive and intellectual skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	√	☐	☐
4. Practical Skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐
5. Transferable Skills for Life and Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☐	√	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL		PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP	
Attended all the classes and be able to apply the strategic management skill at assignment		Still have a room to enhance my knowledge of market research, report preparation and time management.	
Student's Name	WONG, Si Ming Kyle	Date	October 8, 2019
Student's Signature	<i>Kyle Wong</i>		