



LEVEL 7 ASSESSMENT SPECIFICATION

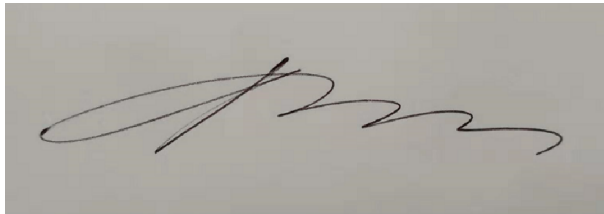
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Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles,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

UWTSD MBA (Nov 2018 intake)
SBMA7138 Marketing Management

Assignment Title:

A study report for Giordano marketing strategy (TBD)

“I, Kwok Man Kam, Ken, student ID number 1812206, certify this work is the result of my own investigations, except where otherwise stated. All references have been duly cited”

A photograph of a handwritten signature in black ink on a light-colored surface. The signature is stylized and appears to be 'Kwok Man Kam'.

Signed:

Date: 23rd June 2019

Executive summary

In this marketing plan, Giordano International would be use for the discussion, we would determine whether the company is in a good business environment and Giordano Ladies is chose to discuss the improvement and recommendation base on its recent marketing segmentation and marketing mix.

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1. Introduction

In this marketing plan, Giordano International would be the company we chose, and we would conduct a situation analysis of the company and discuss the marketing mix and the marketing strategies that the company used. Also, recommendation and analysis would be given depends on the company's current marketing plans in order to achieve a better result.

2. Situation analysis

Giordano (Giordano, 2019) is one of the best known and established apparel in the Asia Pacific, the business is a Hong Kong based company started in 1981 and now are employing over 8000 friendly staff with over 2400 shops operating in more than 30 countries and region worldwide. It aims to provide relevant and essential and timeless fashion for all people with the brand value of "World Without Strangers". Giordano has different series for different target customers, such as Giordano ladies, Giordano and Giordano juniors and Giordano BSX, therefore, Giordano cares about every single target customer and designs the suitable clothing for the certain area. To analysis the situation of the company, we would use Porter's Five Force to determine the competitive position of Giordano International. Porter's Five Force (Michael P, 1979) is based on the concept that there are five forces that determine the competitive intensity and attractiveness of a market. Porter's five forces help to identify where power lies in a business situation. This is useful both in understanding the strength of an organisation's current competitive position, and the strength of a position that an organisation may look to move into; Porter's Five Forces are including five aspects.

Rivalry among existing firms is the number and capability of competitors in the market. Many competitors, offering undifferentiated products and services, will reduce market attractiveness. The rivalry of competition is high, since in the fashion retailer industry, there are a lot of brands,

H&M, Zara, Marks and Spencer, many of international brands are stationed into the Asia market, the market share are divided and Giordano is no longer be the only one largest fashion retailer in Hong Kong. And the increasing competitions are existing in the industry, no matter price competitions or non-price competitions, such as the sales promotions, customer services and clothes exchange. Also, Giordano does not have a clear or big diversity between its competitors; the nature and the trend of the products are nearly the same. But one thing is Giordano has developed a good relationship with its customers, it has a good brand loyalty, and has a good brand image among the Asia Pacific area. Therefore, Giordano is facing to the pressures and threats in the related industry.

Risk of entry by potential competitors refers the profitable markets attract new entrants, in order to gain profits. In the fashion retail industry, Giordano International has a moderate risk for the entry by potential competitors, it has developed a good brand name and image, and the increasing number of brands' outlet. In the related industry, the main competitors to Giordano are Zara, G2000, Mango and etc., these big companies are already had a great market share in the industry, and they are well-known. Also, the barriers to entry this industry are difficult, like Giordano, Zara, G2000 are big retailers, they have created a barrier to the small and new joiners to the market are hard to spend heavily to overcome the customers' loyalty because the brands' identifications to these well-known retailers are strong. Not only for the influence and the strong loyalty of the customers, but also the problem for cost and capital. In order to compete with the competitors in the industry, the new entrants have to invest money, such as advertising, marketing and promotion, to attract customers. The new entrants need to have a huge capital to support their companies marketing strategies, they might not have that ability.

Bargaining power of buyers means if the power of buyers could easily determine or drive the price down to the company. For Giordano, the buyers have a high level of power. The switching costs for the buyers are low because they could find substitute easily, they have the ability to find other products to substitute. Giordano has a big group of customers, since its products are wide range and fit for every age level, so Giordano has a great number of customers. But in the fashion retailer industry, Giordano does not have special or features for its products; Giordano is focusing on the casual wearing products such as t-shirt, shorts and sport wears. But there is almost no difference with its competitors, such as H&M, Uniqlo and Bossini, the products from these fashion retailers are almost the same. Therefore, the bargaining power of buyers is high since they have flexibility to change their option and the availability for them to get the industry information; also, they have the sensitivity of pricing.

Bargaining power of suppliers means if the power of the supplier could easily determine or drive up the prices to the company. For Giordano, the suppliers' bargaining power is low. Giordano has its own manufacturing factory in Mainland China, and Giordano has the power to find other suppliers to replace, since the manufacturers could be profited from the co-operation, because of the long-term co-operation and the bulk purchase, the suppliers could profit from this relationship. Therefore, the bargaining power of the suppliers is low since they are easily replaced by the other suppliers with the companies' decision.

Threats of substitute products means when there are close substitute products exist in a market, it increases the likelihood of customers switching to alternatives in response to price increases. The level of threat is moderate, since the brand image and the brand loyalty have been developed, the relationship between the company and customers are good. But due to the huge amounts of substitute products are available in the market, the customers are easily to find other

options with different reasons, such as pricing problem, quality problem and design problem. The switching costs are low; therefore, Giordano is facing to the threats of the substitute products.

Segmentation, Targeting and Positioning of Giordano

In this marketing plan, we would mainly focus with Giordano Ladies, which is the trends that focusing on ladies' casual smart wear with an affordable price. STPs marketing is important for businesses when they first start a comprehensive marketing strategy. Segmenting-targeting-positioning (STP) (Moutinho. L, 2000) is a broad framework that summarizes and simplifies the process of market segmentation.

The segmentation (Irene C., 2019) of Giordano Ladies is focus on the business and office lady, based on demographical, who are in the intermediate managerial, administrative and professional industries, such as investment bankers, lawyers and management level officers. Based on geographical of the market, Giordano Ladies would choose the places with high mobility, easy transportation and where that defined as a modern city, now Giordano Ladies has 79 shops in Hong Kong, Singapore, China and etc. Based on psychographic, the targeted group would be the female that like casual smart wears with a good quality and affordable price.

The targeting market of Giordano Ladies is focus with the female that age range between 17 to 35 years old, and the female are working as managerial level or the bank industries, with the needs for the smart casual wear.

The positioning of Giordano Ladies is value for money and mid-priced but trendy fashion, that the products with a good quality and merchandise at affordable price. By this positioning

strategy, because of the threats of crisis monetary, therefore, with the mid-priced strategy, the customers have the ability to afford the products.

Marketing Mix

Marketing Mix (Neil. H, 1942) is the important elements that make up marketing programs, and the marketing plans are adjusting due to the elements in order to achieve success. The 4Ps (Bhasin, 2019) are including price, place, promotion and products.

For the pricing of Giordano Ladies, it believes in providing the best possible products at the minimum rational prices. Giordano ladies has value for money strategy since it knows value is the most important thing that the customers would consider, value is not the pricing for the products, but is whether the products have a positive relationship with the price. Therefore, Giordano Ladies tried to find a way to sell cheaper and affordable for every consumer with choosing the supplier and the products' price would be stable if it is not necessary to change, in order to deliver the high-end customer satisfaction through its products. And in the fashion retail industry, Giordano Ladies faces the competitions from its competitors, such as Mango, G2000, Zara, therefore, Giordano Ladies keeps its products' price below the market average and try to capture more market shares in the market. It resulted in Giordano Ladies could keep its values and brand image and attract more customers from different sectors and classes of society with its reasonable and economic prices.

For the place, Giordano ladies has spread its international network in Taiwan, Singapore, China and etc, which the brands are mainly focus at the high mobility and rapidly developing countries. It was introduced in the year 1997 and until now, 79 outlets have opened in 6 Asian countries and cities. We could find that Giordano Ladies is mainly focus in the Asian markets

For the promotion; Advertisings, personal selling and sales promotions are the promotions Giordano Ladies. Giordano Ladies' advertisements are mainly on social media network platforms such as YouTube, Facebook and Blogs, the videos about the mix and matches for the ladies' clothing and the promotion and introduction of the new products would be uploaded constantly on the social media platform. Also, co-operations with the famous fashion magazines and Giordano Ladies, such as ELLE and VOGUE, the products could be promoted with the media platform.

Furthermore, Giordano Ladies believes celebrity endorsements can enhance the brand image, because of the celebrities' image and reputation, such as Chen Qiaoen and Jeon Ji Hyun, it is easy to raise up public's attention and discussion because of the drama and entertainment programs of the celebrities, in order to achieve the aims for advertisings. Also, Giordano Ladies would have different sales promotion, like when it comes to the seasonal or themes change, sales would be introduced in order to attract more customers to enhance or achieve the sales target.

Giordano Ladies' products are mainly satisfied the ladies who want some simple and trendy. The products itself have a good quality, and different designs for different purpose, like the office apparel, leisure apparel or unisex apparel, but all of the products are focus on casual smart wears, which means each piece of their products could be paired up any other casual or formal wear. The easy mix and match attract the customers to buy the clothes and the products are affordable to the customers and the products are value of money. Also, the products are made up with some selected textiles in order to create different feelings and visual effects for the clothes when they presented in the market.

From these 4 aspects, we could conclude that Giordano Ladies has a good marketing mix, the products are good quality with reasonable and affordable price, and the brand are focusing with the Asian countries and cities, which is a good choice for the brand since the Asian market are developing and being importance across the world, and because of the gender equality is being significant, more and more ladies are working with the managerial positions or at the offices, therefore, there is an increase of demand of market for ladies' fashion retails.

And in this society, the celebrity effect is being important, therefore Giordano Ladies is smart to choose the positive and good reputation celebrities to be the endorsement to gain the feedback and attentions from the public.

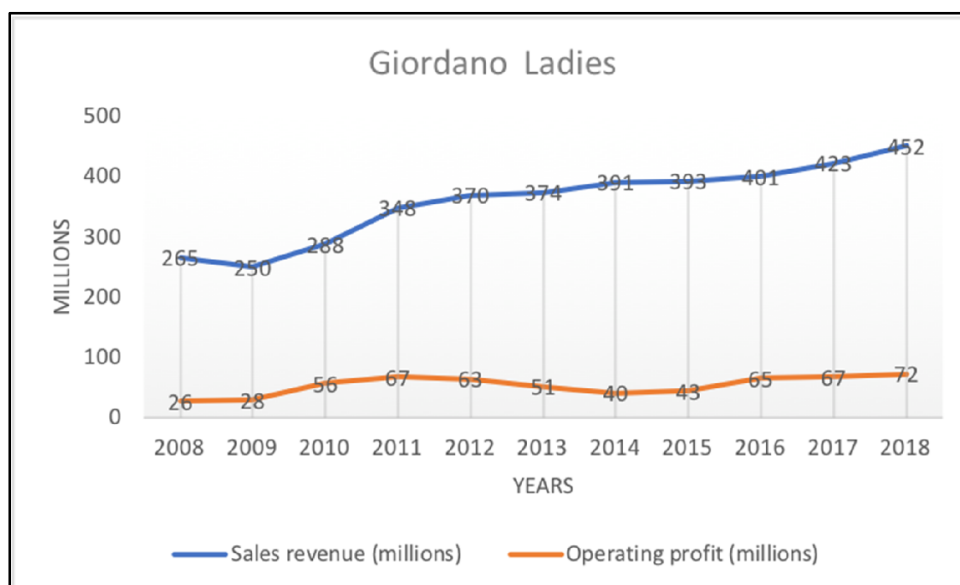


Figure 1

Based on the figure above, from 2008 to 2018, the sales revenue was increased from \$265 millions to \$452 millions, and the operating profits was increased from \$26 millions to \$72 millions. We could find that the marketing mix and segmentation marketing done by Giordano Ladies are successful and help the brands to generate more money, and the strategies and positioning of the company are corrected and that should maintain and improve to achieve a better result.

Recommendations and Suggestions

Based on the marketing segmentation and marketing mix, Giordano Ladies has good revenues and operating profits. In order to achieve a better result, Giordano Ladies could design marketing objectives as to follow, ensure the marketing strategies are designed for achieving the marketing objectives.

Marketing objectives (Thomas Speh, 2013) are the intended goals of a company's marketing campaigns, to promote its products or services to potential consumers that should be achieved within a given time frame. The marketing objectives need to be followed the SMART rules, SMART rules (George. T. Doran, 1981) means specific, measurable, assignable, realistic and time-related. The marketing objectives should be achievable and realistic, and the objectives should be specific and measurable, which means the objectives should be traced and analysed. Also, the objectives should have a time frame, which means the objectives need to be finished by the set date or time. The three objectives for Giordano Ladies are: Enter new markets internationally in the three years' time, increase the brand's market share by 5-7% in the market and increase sales revenue by 5-7% each year. These marketing objectives are designed for the company in three years' time.

In order to achieve the three marketing objectives, some strategies could be done. The first one is "One size doesn't fit all, add local flavour". Localization (Schäler, 2010) is the linguistic and cultural adaptation of digital content to the requirements and locale of a foreign market, and the provision of services and technologies for the management of multilingualism across the digital global information flow. The designs of the clothes should be localized, add the culture and special element into the clothes, for example, McDonald have designed different menus for different countries or cities, like in Japan's McDonald, there are few seafood-specific

items such as shrimp filet-O sandwich, but these menus are specially designed according to the local taste and needs. Giordano Ladies recently now has 79 stores over 11 countries and cities, but all of them are located in the Asia areas, it should expand its market into other continents and countries. Giordano Ladies could select some potential countries or cities, to do the marketing researches, to understand the needs and cultures of different countries or cities, try to expand the market in the potential countries. And when the brand is expanding its products into the selected countries or cities, the company should choose the local celebrities or representatives of these places to be the endorsement, it could gain the attentions and feedbacks from the market and raise up the publics' attention and enhance the brands reputation.

The second one is co-operation with some famous artists and follows up with the social trending. For example, Uniqlo has cross over with different company like Disney, Snoopy, Kaws and etc, the co-operations have attracted more customers; because of the brand names effect from the companies that Uniqlo co-operated with. Giordano Ladies are targeting on the office lady and the intermediate level female, in order to build up a new image for the ladies: The designs of the clothes could add some essences, such as flora and colours; the designs could design according to four seasons, with the flora and colour mix that could be matched with the corresponding seasons; or co-operation with some new generation artists, include the essences from the paintings, and make the products into limited edition, implement "Hunger marketing". Hunger marketing is a type of marketing strategy where product providers deliberately limit product supply to achieve excess demand (Chen, Kuo, Jhan, & Chiu, 2014), it is to attract customers to purchase products immediately, to practice this marketing strategy could arise the public attention and promote Giordano Ladies brand with some special features. The new designs and patterns for the products would increase the attractiveness to the target customers and bring up a new image to the public.

The third one is promotion with the online shopping platform (Aldrich, 2019). In this society, online shopping (Khalid S., 2018) is being the trend globally, the percentage 5.9% in 2014 to 8.8% in 2018, we could determine that the online shopping has the potential to grow. Therefore, Giordano should put more effort into the e-commerce platform, to promote the brand through the internet. But online shopping has one disadvantage is the customers' expectation to the products might have different when they received the products after they read the description on the website. In order to avoid this problem, Giordano could provide a comprehensive customer service to the customers, one on one through the website, provide and answer with professional product knowledge instantly. Also, Giordano could design a program for the customers to pair up their faces with the model in the program, and they can try to mix and match the clothes with the model, they could understand what they need and what are suitable for them; the online customer service officers could also provide suggestions to the customers with their body shapes and working places, the excellent customer services are not only available in the physical shop but also being available online. Therefore, with the comprehensive design and e-platform, the customers could buy the products easily through internet; the increase of the incentive for the customers to buying online, the sales revenues and market shares would be increase and achieve the marketing objectives.

The last one is the promotion on the social media platform. Social media platforms are being an important tool to promote the brand and products of any business, the number of the social media users are increased from 0.97 billion in 2010 to 2.62 billion in 2018, we could see that social media platforms are being popular among the people in the world, such as Instagram, Facebook, Twitter and etc. Therefore, we could use the social media to promote the brand and products, to expand the promotion area through the internet and arise the attentions from the

public. Also, advertisements could be done on YouTube, in the video clips, there would be some advertisement in between the clips, Giordano Ladies could use YouTube as a channel to do the promote for its brand. The promotion through the social media platforms could have a cost-effective marketing strategy and increase the public attention to the brand.

Conclusion

Based on the analysis above, we could determine that Giordano International has a good reputation in the fashion retail industry and its company has a stable development with its business. Giordano Ladies is one of the subsidiaries of Giordano Ladies, it has a good segmentation and marketing mix, but if the brand would like to boost up its brand image and revenues, it needs to be stepped into the global market with the continuously innovation on its products.

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Appendices