

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Lau Winnie	Student ID number:	1812209
Programme:	MBA		
Module:	Consultancy Management		
Module code:	SBMA7136	Contribution to Overall Module Assessment (%):	100%
Lecturer:	Dr Joe Leung	Internal Verifier:	Dr Poon Che Cheong
Assignment Title:	Assignment 1	Word count (or equivalent):	4,000 words
Submission deadline:	7 January 2019	Return date of provisional marks & written feedback:	28 January 2019
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
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.		

**Module Learning Outcomes
(from module syllabus)**

- Have an in-depth understanding of consultancy as a specialism and the potentially positive contribution that such intervention can make to aid an organisation's ability to achieve and sustain competitive advantage through effectively managing change and embracing innovation.
- Critically evaluate external and/or internal influences that impact upon an organisation's ability to serve and bring about outstanding customer service, product and service innovation.
- Timely progress of consultancy projects from initial idea to the presentation of persuasive, pertinent and actionable reports.
- Conduct critical and relevant literature and research reviews through the study of a wide range of resources, including wherever possible, in-company information that serves to increase the credibility of projects.
- Understand research methods and their relevance to different projects; data collection and handling, evaluation of the strengths and weaknesses of each and identification of the circumstances in which they might be used. Ethical considerations.

Student Self Evaluation Form

Student name:	Lau Winnie	Student number:	1812209
Programme:	Consultancy Management	Year of programme	1st.
Assignment Title:	Project Initiation Document & consultant's report		

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		
Student's Name	Lau Winnie	Date	30/12/2018
Student's Signature			



University of Wales
Trinity Saint David

CONSULTANCY MANAGEMENT

PROJECT INITIATION DOCUMENT (PID)

2018

Students Name:

Masters: Consultancy Management

Project Initiation Document (PID)

INSTRUCTIONS:

1. Give as much justification as possible for every question asked. This means, you must not limit yourself to just stating WHAT you believe is an appropriate response, but WHY.
2. ALWAYS provide an outline of the financial and cost imperatives associated with your project aim and objectives. Remember, you must be able to SELL your project idea.
3. Put effort into your PID and you will benefit when it comes to undertaking your project and writing your final report.

PID submission date detailed on module schedule



1. Your name:	Winnie Lau
2. Organisation name:	Consultant Firm
3. Your job title/role:	Consultant
4. How long have you been in this job/role?	3 years
5. Outline main purpose of your job/role:	To help clients to improve their business. By reviewing financial statements, evaluating competitors, and analyzing business practices. Then provide an analysis of the existing practices of a company and make recommendations for improvements.
6. List the main responsibilities within your job/role:	Client Priority : To define problems during the meeting with clients, understanding their needs and the areas that what to improve and must be able to put forth the guidance and advice to clients effectively and ensure that the client's needs are satisfied. Research and Data Collection: To conduct extensive research to gather the information and depth knowledge of the product or the business nature of the client. Analysis of Information: To discuss and brainstorm ideas with the teammates by fully utilised the secondary data and reference collected to arrive at recommendations. Problem solving: To identify the risks involved with a project. To develop problems resolution process to cope with unexpected issues and problems. Recommendations: To deliver the proposal and present the solutions to clients. Also, explain the strategies applied to the business planning and the future business decisions. Training and support: To provide training to junior staffs and interns about the consultancy projects and the successful cases sharing.
7. Client organisation:	Esprit Holdings Limited
8.	
9. Type of business:	Retail & Fashion Industry
10. No of employees in client organisation:	6450 as of 30 Jun 2018
11. Who is the person mainly supporting your project (Sponsor)? State their job	Name: Dr Raymond oR Ching Fai Job title: executive Chairman

title and their relationship to you:	Relationship to you: Client
12. Aim of project: Aim: To use feasibility study method to suggest Esprit Holdings Limited to develop O2O business model in Hong Kong and China market.	
13. Objectives of project: 1.To increase sales and revenue in 10 in 3 years 2. To decrease costs in 10% in 3 years 3. To increase market share in 5% in years	
14. What is the business case for considering undertaking the project? Here you need to justify how achieving the project aim will advantage and benefit the business and its stakeholders. There are intangible benefits such as increased sales and revenues, improved operating efficiencies, increased brand awareness, improved customer satisfaction, better allocation of human resources, increased employee motivation and maximise shareholder value. The second part of the project introduces the O2O business model. This as an innovative business idea for the company and investigate the feasibility in aspect of market, technical, financial and organization.	
15. Identify the risks associated with the project and how these could be overcome. Time resource issues: There may be unexpected problems that crop up and it may cause the project overrun. To overcome it, the team should develop a proper issue resolution process before the project is started. This is to make sure that the project stays on schedule, and meet client's objectives. Communication issues: Such as invalid stakeholder expectation by lack of communications. In order to cope with it, the project objectives should be identified clearly in the initial meeting with client. Quality issues: There may be defects in the project that quality won't meet expected levels. To overcome it by identifying quality related risks for process inputs and outputs.	

16. List the information and resources you will need to make your project a success.

Industry Information: The retail & fashion industry data

Company Information: Such as annual reports for the past 5 years

Competitors Information: Such as the annual reports of Uniqlo Co., Ltd.

The constraints: There is no primary data. The data collected are secondary data. Hence, the data and information that required are may not be completed to make a full analysis. To overcome this obstacles by using cross reference to verify the correlation and accuracy of the secondary data.

17. State what method you intend to use to collect your primary data.

Not applicable since secondary data is used.

18. State from whom you plan to collect primary data and detail any challenges you anticipate.

Not applicable since secondary data is used.

19. State from where you plan to collect secondary data.

Website addresses:

Esprit Holdings Limited (2018) Annual Report 2018. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Esprit Holdings Limited (2018) Interim Report 2018. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Esprit Holdings Limited (2017) Annual Report 2017. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Esprit Holdings Limited (2016) Annual Report 2016. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Esprit Holdings Limited (2015) Annual Report 2015. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Esprit Holdings Limited (2014) Annual Report 2014. Available at

<https://www.esprit.com/en/company/investor-relations/publications/annual-interim-reports>

Books (on topic area):

Hayes, J. (2002) The Theory and Practice of Change Management. Palgrave Higher Ed M.U.A.

Hooley, G.J., Piercy N. and Nicoulaud B. (2014) Marketing Strategy and Competitive Positioning. [Financial Times/ Prentice Hall - M.U.A.](#), pp.261

Fletcher, K. (2012) Sustainable Fashion and Textiles. Routledge Ltd.

Books (on research methodology):

Saunders, M. and Lewis, P. (2012) [Doing research in business and management : an essential guide to planning your project](#). Harlow : Financial Times Prentice Hall

Sachdeva, J.K. (2007) Business research methodology. [Himalaya Publishing House](#).

Marczyk, G., Dematteo, D. and Festinger, D. (2005) Essentials of Research Design and Methodology. Wiley.

Journals:

Froud, J., Haslam, C., Johal, S. and Williams, K. (2010) Shareholder value and Financialization: consultancy promises, management moves, pp. 80-110

Sito, P. (2015) 'China's malls take advantage of online-to-offline e-commerce: China is playing a leading role in online-to-offline strategy development', South China Morning Post, 21 Jan 2015, p.1.

Froud, J., Haslam, C., Johal, S. and Williams, K. (2010) Shareholder value and Financialization: consultancy promises, management moves. pp. 80-110

Xu, Q., Wang, W., Liu, Z. and Pan, T. (2018) The Influence of Online Subsidies Service on Online-to-Offline Supply Chain. Asia - Pacific Journal of Operational Research; Singapore.

Sito, P. (2015) 'China's malls take advantage of online-to-offline e-commerce: China is playing a leading role in online-to-offline strategy development', South China Morning Post, 21 Jan 2015, p.1.

Phang, C., Tan, C., Sutanto, J., Magagna, F. and Lu, X. (2014) 'Leveraging O2O Commerce for Product Promotion', An Empirical Investigation in Mainland China. IEEE Transactions on Engineering Management, New York.

Chang, Y., Hsu, P. and Yang, Q. (2018) 'Integration of online and offline channels: a view of O2O commerce'. Emerald Group Publishing Limited.

20. Design a time plan for the lifetime of the project. Begin by breaking down all tasks that need to be undertaken and assess the duration of time you need to devote to each task. Be sure to show tasks in a logical sequence. Be further sure that you plan well enough to enable you submit your project report on the deadline date. Include any meetings that are planned with your project lecturer at UWTSD. Be realistic and make your project manageable, account for holidays and other “off-days”.

Task	Date to be completed
1. Project briefing	19 Nov 2018
2. Decision to work together	26 Nov 2018
3. Preliminary analysis	3 Dec 2018
4. Formal proposal	10 Dec 2018
5. In-depth analysis	24 Dec 2018
6. Project Deliverables	31 Dec 2018
7. Follow-up meeting	7 Jan 2018

Consultancy Project Assignment

Student Name : Winnie Lau

Student Number : 1812209

Word count : 3627

Topic: To use feasibility study method to suggest Esprit Holdings Limited to develop O2O business model in Hong Kong and China market.

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1. Introduction

This paper is to determine the viability of developing O2O business model for Esprit Holdings Limited to apply it on their Hong Kong and China market and to study the effectiveness of it. This paper researches the feasibility of the O2O business idea and applies the framework of SWOT analysis and Product Life Cycle theory on the company. The research is based on reviewing the secondary data of Esprit Holdings Limited such as the past 5 years of its annual report, its new five-year strategic plan, its competitor information, industry information, market information and literature reviews about the fashion industry and products. Also, this paper studies the retail tactics of Esprit as well as their products and sales channels. Moreover, to introduce and investigate the O2O business model that could adapt by the company. The studies included the feasibility of market, technical, financial, organizational in application of the O2O business model to the company. There are conclusions and recommendations for the company by the findings of the above study.

2. Project background

This consultancy project is taking feasibility study approach to evaluate a new business idea which is the O2O business model for Esprit Holdings Limited in order to improve the sales turnover and reduce the operating costs in the Hong Kong and China market. A feasibility study aims to uncover the strengths and weaknesses of proposed new business idea. Also, it discovers the costs or resources that the company

may require to carry through the new business project and economic value to be attained.

This paper provides a historical background of the business of Esprit, a description of its market including market share, market segments and target markets, a description of the fashion and retail industry and a description of its products and the sales channels. Also, briefly discusses its annual reports, details of the future operations and management plan, its future marketing plan and policies. The second part of the project introduces the O2O business model. This as an innovative business idea for the company and investigate the feasibility in aspect of market, technical, financial and organization.

The project is based on reviewing the secondary data of Esprit. (Saunders, M. and Lewis, P. 2012) stated that the benefit of secondary data is saving in cost and time compared to primary research and also certain research projects may not be feasible for a firm, recourse to secondary data will be the suitable solution to resolve the problem being investigated. (Sachdeva, 2007) Sachdeva stated that every type of organization including businesses, non-profit organizations, and public agencies often want to know everything about their existing products, services, programs policies and new business development. Conducting business research is a systematic way to collect information and get knowledge out of it with a methodology so that the derived knowledge can be used to make decisions. Feasibility study helps top management to make decisions rationally and is the process and the tool needed to

reduce risk in managerial decision making. According to (Marczyk, G., Dematteo, D. and Festinger, D., 2005), conducting a successful research project helps an organization to identify the management problem in the business environment.

From the annual report of (Esprit Holdings Limited, 2018), Asia pacific region only generated 12 percent of Esprit's global turnover whereas the rest of the revenue distribution were from Europe. In order to capture the geographic business opportunities, new business idea should be considered to gain market share in Asia such as in Hong Kong and China.

2.1 Executive summary

Esprit Holdings Limited is a publicly owned manufacturer of clothing, footwear, accessories and housewares under the Esprit label. Esprit brand was very popular in the 1980s. Esprit operated more than 900 retail stores worldwide, distributed products to more than 8,500 wholesale locations around the world and had more than 1.1 million square meters of retail branch in 40 countries in the world during its heyday. It is one of the most sought after internationally renowned fashion brands for teenagers.

The company was established by Susie Russell and Doug Tompkins in San Francisco in 1964. Hong Kong businessman Ying Lee-yuen joined in 1971. In the late 1970s, a production and distribution network based in Hong Kong and Germany was established. In 1993, Esprit was listed on the Hong Kong Stock Exchange with stock code 00330.hk. In 1998, Esprit was listed on the London Stock Exchange. In 2002

Esprit joined the Hang Seng Index. In the 2007–2008 business year, it generated a worldwide sale of around 3.25 billion Euro as of 30 June 2008. In 2007, its share price rose to \$123.5 per share, with a market value of 171.5 billion Hong Kong Dollars. However, after financial tsunami in 2008, it began to become sluggish, turnover began to fall. Other than the global economy factor, Esprit was not able to adapt the change in the retail market such as fast fashion trends. The loss in the fiscal year of 2013 was nearly 4.4 billion Hong Kong dollars. It was removed from the Hang Seng Index in 2013. According to (Esprit Holdings Limited, 2017), as of the mid-December 31, 2017, revenue continued to decline to HK\$8.039 billion and suffered a huge loss of nearly HK\$1 billion. In mid of 2018, according to (Esprit Holdings Limited, 2018) it was the worst interim result in the company history, the stock price had lost 97 percent since prices peaked in 2007.

In the recent years, Esprit tended to save the business by restructuring such as closing the non-profitable stores. According to (Dosher, M., Benepe, O., Humphrey, A., Stewart, R., and Lie, B., 1960), SWOT analysis is a strategic planning technique used to help an organization identify strengths, weaknesses, opportunities, and threats which strengths is positive characteristics that give an advantage, weaknesses is the critical characteristics that give an disadvantage, Opportunities are a set of circumstances that makes it possible to do something in advantage and threats: a set of circumstances that could have a negative influence on the business. In applying SWOT analysis to Esprit, the strengths are global sales platform around the world and strong brand positioning. The weaknesses are the products are not innovative and

limited presence in the online platform. The opportunities are the growing casual wear market and growing earning population in China. The threats are intense competition in the fast fashion market that gives customers options of frequent brand switching and product substitution with local brands in China and Hong Kong.

2.2 Description of market

From geographic aspect, according to (Esprit Holdings Limited, 2018), the distribution share of Esprit retail sales in fiscal year of 2017-2018, the top three countries are Germany, The Benelux Union and China. In that year, retail sales in China accounted for 8.7 percent of the company's total retail sales. In May 2018, it was announced that Esprit will close all 67 stores in New Zealand and Australia and will continue to shift the focus to China. Since competition in the retail industry in China and Hong Kong are intense, the path to gain market share in Hong Kong and China will not be easy. From the past 5 years of the financial report (Esprit Holding Limited, 2014 – 2018), Esprit had five straight years of declining in sales. The international competitors outpace Esprit in China such as H&M, Inditex's Zara and Uniqlo. Esprit has lost the market share to them.

According to its new five-year plan announced in late 2018, Esprit will shut money-losing stores, reduce its non-store workforce by 40 percent and aggressively open more branches in China to recapture the market share. It aims to rebuild its presence in China by doubling its branches over fiscal year of 2020 to 2030. However, this plan will require high spending on store openings and marketing in China may

offset the savings in operating expenses from the downside of retail stores in other countries. It may even likely widen its operating losses in one to two years. It is because the decrease in revenue, from having fewer retail branches is poised to decline faster than that of operating costs. Thus, it could lose more money on this strategic change on short term in the near future.

2.3 Description of industry

From fashion industry aspect, Esprit was not able to adapt the change in the fashion industry namely as fast fashion trends in the recent 10 years. In the past, there used to be spring, summer, autumn and winter for consumers to shop. But the fast fashion industries here nowadays make consumers became fashion lovers and they buy more often than four times a year. People tend to shop for the fashion trends other than what they actually need. According to (Fletcher, 2012), Fletcher argued that fashion cycles and trends contribute to very high levels of individual mater consumption that are supported by the insatiability of consumers wants. Fast fashion brands such as H&M, Inditex's Zara and Uniqlo has been dominating dominate the fashion market by providing cheaper price clothing with a rapid turnover of styles, allowing their customers to keep up with the latest trends, even on their budgets. Esprit is promoting comfort and good quality clothing are value for money whereas its competitors are promoting a new season of fashion every single week.

2.4 Description of products

From the annual report of (Esprit Holdings Limited, 2018), the majority of distribution share of product category from "women casual" which sales generated about 652.11 million U.S. dollars worldwide. It benefits from the silver age population from Europe. However, the product style may not be the best choice for the consumers in Asia.

According to (Vernon, R. and Wells, L. T. 1966), Vernon stated that each product has a certain life cycle that begins with its development and ends with its decline. The stages are introduction, growth, maturity and decline. When production costs are high and demand is low, it is not offered on the market for a long time and will be withdrawn from the market in the stage of decline. For the product of Esprit, they are offering good quality clothing but this concept has been out of favor among consumers for recent years. Thus, investment on product development should be considered.

Hayes (Hayes, 2002) mentioned that if an organization is good at anticipating the need for change, it has more benefit because it has the time to investigate the problem or opportunity and decide how best to respond. For Esprit, it may consider to adapt the fast fashion concept to capture new sales.

3. O2O Business Model

Since the property price and rental are growing higher among China and Hong Kong in the recent years. Especially, to open or maintain a large area flagship store in the major shopping locations in Hong Kong is extremely high. Retailers to develop online shops could be a solution to save the operating costs from opening a large area of store.

O2O model stands for online to offline is a new business model in which retailers using both online and offline channels as an intensive business strategy. The writers of (Xu, Q., Wang, W., Liu, Z. and Pan, T. 2018) explained that the operation of the model, first of all, retailers find potential target customers, then raise their brand awareness and their product awareness by using online marketing and advertising methods. Then draw them to look at the products at the store and eventually make purchases in their retail shops or in the other way, consumers purchase the products in the online shop and get the products in offline physical stores to increase the add-on sales.

Sito (Sito, P., 2015) reported that O2O business model is also being developed in the US, but on a much smaller scale in terms of the usage of technologies, whereas rapid development in smartphone usage and the mobile internet in China is playing a leading role among other countries in the development of the online-to-offline (O2O) e-commerce model.

According to the study of (Phang, C., Tan, C., Sutanto, J., Magagna, F. and Lu, X. 2014), the successful element to leveraging the O2O business models to attract

consumer attention and stimulate their buying signals and actions both online and offline, which may be achieved through administering banner advertisements, digital coupons, promotion emails, social campaigns or blog posts. Retailers can draw their online customers to visit their physical stores by offer them benefits ranging from in-store pickup services when they buy products online, in-store payment promotions, free shipping if customers spend certain amount of money, fast track returned counter in the actual retail store for the online purchasers to save the queueing time.

According to the paper of (Chang, Hsu and Yang. 2018), there are several benefits of this business model that helps retailers to grow the sales and business, 1. It helps retailers to gain a bigger customers pool and to develop customer database by reviewing the purchaser's name, age, address or shopping behavior based on the browsing history on the online store, the preference of each customer can be easier to identified which helps generate more potential add-on sales; 2. The O2O shopping journey provides both online and offline shopping experience for customers that could enhances customers' loyalty to the company. If the shopping experience is pleasance, it may make customers feel more enjoyable than the traditional way of shopping; 3. It helps the company to build brand reputation and brand awareness, branding is easier to build in the online platform with less time and money spent, for example, when a customer browses the online store to shop for a gift, customer could sort out a few options online then take a look at them at the actual shop before buying it. This model helps people to save the time from running around in the store; 4. Since the online channels will never close, it operates 24 hours a day

and opens every day that allows customers to shop where and when they are, and in the way they prefer, in this case it could capture extra sales from the people who do not have time to go to the stores.

However, to maintain the market share in the industry to close all the offline channels which are the retail shops seems to be impossible. It is because the concept of Online to Offline O2O in which online and offline channels share the same importance in this business model. After all, customers still like get the feeling of trust and satisfaction when a customer see and touch or try on the products before they decide to buy. Thus, Retailers maintain physical stores could increase the number of visits to the online store.

3.1 Market Feasibility

Market feasibility determines if the condition of the target market is able to support the certain new business idea. This study can help Esprit to have an in-depth understanding of the market that if it wish to spend resources on O2O business model.

This study proposed that Esprit to develop O2O business model in Hong Kong and China market. From the geographical point of view, the property price in the major cities in China and Hong Kong are very expensive. It may not be a good business idea for Esprit to open or maintain a lot of large flagship stores in Hong Kong and China. It is because Esprit's the total assets have been dropping from the past 5 years according to its financial report (Esprit Holdings Limited, 2014-2018). There is an

alternative solution to the limitation which is opening smaller retail stores and opening some pop-up retail stores to cope with the tight budget problem.

When Esprit adapts the O2O business model, there will be no need to maintain some high operating costs stores instead it could open some temporary retail shops that sell merchandise. Pop-up stores are like a flash retailing. They are introduced in the 1990s in Los Angeles, London, Tokyo and etc. and can be found in the larger shopping malls. Consumers usually feel exciting about the pop-up stores because those stores only open for a short period of time in a year that create an urgency and an unique feeling for the shoppers. If the pop-up stores are well decorated, shoppers may take pictures of the stores and upload to their social media that would help to do marketing online. This idea would eventually help Esprit to regain the trendy image of its branding which it lost in many years and recapture a new group of young age customers.

3.2 Technical Feasibility

This chapter examines the technical capabilities of Esprit in applying O2O business model in Hong Kong and China. Since the company have both the mobile app store and the online store already. It ships goods internationally. However, the online sales have been losing to the international competitors such as H&M, Inditex's Zara. It could enhances the online platform awareness by running promotion campaigns such as encouraging customers to sign up for the email subscription list when they walk in

to the stores, offering an online discount code for the first purchase, advertising on blogs, social media, mobile app, running promotion on mobile wallet payment.

Also, there is an alternative way to strengthen its position which Esprit could consider to collaborate with some famous mobile shopping app or shopping app from famous department stores such as Net-a-Poter, Mytheresa, Selfridges and Harrods. Due to those stores have a larger pool of customers, so that Esprit could increase the brand awareness by collaborating with those re-sellers.

For longer run, if the O2O plan is successful, inventory turnover will be generate higher, clothes should being made faster to keep up with the demand. There will be more focus on the technical issue of manufacturing process.

3.3 Financial Feasibility

From the latest financial report (Esprit Holdings Limited, 2018), found that its resources are limited. It has to be creative to allocate the existing resources and derived knowledge to make more efficient and effective use of their budgets. From the financial point of view, the O2O business model requires less capital investments than the traditional expansion plans which is opening lots of high costs retail spaces. Financial Feasibility on this project is viable after taking into consideration its total costs and probable revenues. Due to both the mobile app store and the online store are already existed and already in operation, Esprit no needs to invent new facilities. It only needs to pay more attention to the online marketing under this business idea.

For the offline channels, opening pop-up stores are cheaper than opening and maintaining a fixed retail stores. This strategy could enhance customer experience and achieve cost saving. According to (Bethan, Karinna and Rosemary, 2018), they mentioned that a company should conduct market testing program before deciding the pop-up store locations to reduced risk and reduce operational costs. For the case of Esprit, it could consider to open in the large shopping malls at first to draw the customers attention. Then it could consider to open pop-up stores outside of the shopping malls for cheaper costs.

3.4 Organizational Feasibility

According to its new five-year plan announced in late 2018, Esprit will shut money-losing stores, reduce its non-store workforce by 40 percent and aggressively open more branches in China to recapture the market share. According to Grandolfi (Grandolfi, 2010), **the firms has continued to resolve the company problems by corporate restructurings and reorganizations.** However, there will be one off expenses from employees' layoff for the compensations that should be considered. With the new O2O business model, Esprit could utilize existing technology and manpower to undergo the project.

There will be less short term spending on the layoff of large amount of employees and less no changes to organizational structure.

The non-store workforce can be reallocated to the online marketing or online sales platform promoter in the stores. It could speed up the marketing leg for the project.

4. Conclusions

According to (Hooley, G.J., Piercy N. and Nicoulaud B. 2014), firms create a competitive advantage by strategic planning and suitable market positioning to keep the business being sustainable and achieve long-term growth. Consultancy projects is one of the ways to help top management to decide the future business planning. sAs (Froud, Haslam, Johal and Williams, 2010) mentioned that conducting consultancy projects help to maximize the shareholder value as value-based management environment is important in the business world.

From the above study, store-based retailing remains an important part of China and Hong Kong shopping culture. Some of the shoppers are interested in and have a preference for visiting stores to make purchases to feel the security of the brand. They demonstrated a positive reaction to the tangible and interactive experience with products and staff when visiting stores. While the other populations of the consumer like to sort out the products online to save time to walk around. To tap into the trend towards experiential marketing, retailers are recommended to develop the online sales platform and maintain the physical retail stores to showcase their range of products under the same brand to entice all kind of consumers.

So that customers will have a new shopping experience and eventually believe they are being provided with something that not offered by any of its competitors. From the study of (Wechsler and Backoff, 1986), online and offline channels operate together will help to increase the satisfaction of customers.

Based on the information presented in this feasibility study, it is recommended that Esprit enhances its online sales initiative and spend more resources on the online sales platform. O2O business model is the focus for future business development framework. The findings of this feasibility study show that this new business strategy will be highly beneficial to Esprit holding limited and has a high probability of success.

5. References

Saunders, M. and Lewis, P. (2012) Doing research in business and management : an essential guide to planning your project. Harlow : Financial Times Prentice Hall

Sachdeva, J.K. (2007) Business research methodology. Himalaya Publishing House.

Marczyk, G., Dematteo, D. and Festinger, D. (2005) Essentials of Research Design and Methodology. Wiley.

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