Giordano Market Expansion Repositioning and Retail Strategy Analysis

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Executive Summary

Giordano, a leading Hong Kong-based retailer, is considering its potential for entering new markets along with achieving high growth in its existing markets. Giordano is facing difficulties in relation to the identification of its repositioning strategies and key success factors of the brand, along with consideration of a combination of strategic and marketing mixes to compete in its market areas. Various studies conducted to identify and analyze strategic and marketing strategies suggested that localized supply chain management, adoption of focused and concentrated business and operational strategies, and a combination of suitable strategic and marketing mixes should be utilized by organizations operating in the fashion and clothing industries. In order to obtain detailed information about suitable strategic and marketing plans, further research is necessary. Interviews with existing suppliers and surveys of customers are suggested as suitable research methods to collect and analyze the required data and information.

Introduction

Giordano, a retailer of casual clothes for men, women, and children, is operating in large areas of China, along with international markets. Giordano has introduced a number of different brands since its inception to suit the requirements of different customer groups. The brand is considering expanding its operations across its existing markets and expanding its product range into new markets. This research proposal is prepared to identify and discuss the findings of existing literature in this field and their relevance to Giordano. Different competent research methods are suggested to conduct future research in a coordinated manner.

Problem Statement

The problem statement for this research report in the context of Giordano is the number of decisions that senior management of the brand is considering. Some of the issues that could be stated as a problem statement are challenges associated with repositioning requirements for Giordano in its existing markets, sustainability of key success factors of the brand, and growth strategies of Giordano in its different markets, i.e., Asia and other continents.

Research Questions

Research objectives act as facilitators of the overall research process by directing the actions and efforts in a specific direction. Different research objectives related to this research are as follows:

- Which repositioning strategies should be adopted by Giordano in its existing market, and is there a requirement to adopt different repositioning strategies in different markets?
- What are the different core competencies and key success factors of Giordano, and what are the sustainability and erosion of specific core competencies in the future which could be associated with its repositioning strategies?
- What are the different competitive strengths of Giordano which could be transferred and utilized in other markets, and what mix of strategic and marketing approaches would suit its potential repositioning strategies?
- What would be the possible impacts of the overall business repositioning strategies of Giordano and its future operational and business prospects?

Literature Review

Giordano has focused on limiting its expansion and giving specific attention to simplicity and the introduction of new ideas and product lines since its inception and has tried to change its product positioning strategies by focusing on differentiated and functionally value-added product ranges. According to (S. Dolbow, 2002) and (AD Chandler, 1962), limiting the product range in departmental stores and focusing more on upscaling shop-based promotion by laying specific attention to the young population could act as a competent repositioning strategy for clothing brands. In addition to this, setting competitive priorities and specific supply chain strategies could lead to systematic and effective attainment of organizational objectives as identified by (Craig R. Carter. Dale S. Rogers, 2008), (B. KIm, 2013), and (R.D. Wang and J.M. Shaver, 2013). These authors, based on their research, discovered that different successful companies in the fashion and clothing industry adopt more focused and concentrated strategies to protect their competitive proprietary knowledge, coordinate different competitive priorities, target markets, sourcing or channel strategies, and supply chain management.

In a similar manner, (A. Hauge, 2012) states that fashion and apparel companies cannot use their global powerhouse to position themselves in different geographic markets, and a localized system of production and innovation should be used by identifying the competitive advantage through interaction with other suppliers in the same market. (M. H. Haluk, 2014), in alignment with the findings of (A. Hauge, 2012), identified that companies selecting suppliers in the case of expansion of any fashion brand to an overseas market should place a high priority on relationships with key suppliers to get quality goods at competitive prices, and companies should implement specifically designed strategies to build and maintain strong supply chain management across their operating markets. According to research conducted by (M. B. Ataman, H. J. V. Heerde, and C. F. Mela, 2010), the use of a strategic and marketing mix could facilitate the successful launch and growth of branded products in new business areas. The authors identified that a combination of integrated elements of marketing, i.e., advertising, price promotion, product, and place, with business and operational strategies of business enterprises could deliver long-term and sustainable benefits and profits to these entities.

(M. Pagani and P. Otto, 2013) and (Andrew Parsons, Michael Zeisser, and Robert Waitman, 1998), on the basis of research conducted by them, state that in the case of the presence of intense competition, rapid growth opportunities, abundant innovation, idiosyncratic local business conditions, and complex technological innovation, business managers should develop and implement a combination of marketing and strategic mixes by understanding the dynamics of industry structure and external environment (B. KIm, 2013).

Although the findings of the research papers discussed above have a direct relationship with Giordano, as they were either conducted in the fashion industry or in the same operating region, there are specific requirements to conduct further research in the context of Giordano. Further research would provide meaningful information about the potential marketing and strategic strategies and their suitability to its existing and potential markets in a more detailed and concrete manner.

Hypothesis Development

In order to address the research problems stated above on the basis of findings of various previous research papers and journal articles, the following hypotheses are formulated. These hypotheses would be evaluated on the basis of further research in a systematic and coordinated manner. These hypotheses are developed in the light of the findings of the literature discussed above (AD Chandler, 1962), (B. Kim, 2013), and (M. Pagani and P. Otto, 2013) and to study their potential impacts on future repositioning strategies of the brand.

Hypothesis 1

Focusing more attention on a concentrated strategy to protect its competitive proprietary knowledge and coordinating different competitive priorities would generate more profitable business opportunities for Giordano in existing and potential markets.

Hypothesis 2

A more concentrated and localized network of supply chain management would result in higher-quality and price-competitive procurement of materials by Giordano.

Hypothesis 3

Utilization of a combination of strategic and marketing mixes would deliver long-term and sustainable benefits and profits to Giordano.

Dependent And Independent Variables

In this case, various parts of repositioning strategies, i.e., marketing and product mix, would act as independent variables, and the performance and growth of Giordano would act as dependent variables due to their dependence on repositioning strategy.

Research Design

To complete any research, the selection of a suitable research method or methods is a crucial and significant part; therefore, the research method should be selected after careful consideration of all the relevant factors. Generally, research methods could be classified into two major categories, i.e., qualitative research methods and quantitative research methods. In the qualitative research method, relevant information and data are gathered by utilizing the mechanism of interviews, personal observation, and other descriptive methods, while in the case of the quantitative method of research, dedicated and sophisticated statistical tools and systems are utilized to analyze the data in a coordinated and systematic manner (P. Eriksson and A. Kovalainen, 2016). The following quantitative research method would be adopted in the context of this research:

Quantitative Research Methods

In this approach of data collection and analysis, a specific survey would be conducted among the customers. These customers would be selected from the customers who visit the five different stores of Giordano. The questionnaire which these customers would be required to complete would consist of information about the impacts of current marketing schemes and practices and their requirements in terms of further improvements. A total of fifty customers, with equal numbers of men and women, could be surveyed from five top sales-generating stores of Giordano so that limitations caused by a smaller number of customers could be addressed and there would be no issue in analyzing the data for 50 customers.

Conclusion

In light of the discussion of hypotheses and research methods, it could be expected that the problems stated above could be analyzed in detail and potential and alternative solutions in terms of improvements in marketing and strategic plans could be identified. Further, it can be stated that these marketing and strategic solutions would build competitive strengths in the existing and potential markets of Giordano and would deliver sustainable growth opportunities for the brand in its target areas.

Appendices

Questionnaire

Different questions of the questionnaire for customers are as follows:

1. What is the image of Giordano for customers?

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2. Do customers notice any significant improvement in the product range of Giordano?

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3. Which product range is most attractive to customers?

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4. Which part of the marketing campaign do customers like most and why?

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5. Are customers satisfied with the pricing of products of Giordano?

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6. Do customers find relevant information from social media and other electronic advertisements of Giordano?

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7. Any suggestions for future improvement in the pricing and product range of Giordano?

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