

Strategic Brand Management of International Fashion Retailers

Name

Institution

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Statement of the Problem

In today's world with a very stiff competition in the high street fashion houses, most fashion retailers have taken to new marketing strategies. These strategies are aimed at giving these fashion houses a competitive edge over their competitors and enable them to maintain their market share and capture new market shares as well. The fact that the fashion industry is very volatile and seasonal makes it very vulnerable to the danger of losses. New fashion design trends and styles emerge every day making the previous fashions to fade out. This implies that retailers in these industries need to keep in pace with the volatile market in order to survive failure and the risk of being driven out of business.

With the beginning of the 21st century, together with the advent of globalization, the markets have been shrinking. This is because globalization has made the world a small village, thereby increasing access to the markets and consequently increasing competition due to the saturation. As a result of this, the companies are forced to adopt survival strategies in order to get by in this volatile market. This scenario is exactly what is currently happening in the world's retail sector. As a result of the competition war between the retail giants in the fashion industry, there have been more options for the customers, which enable them to have a wider selection (Quinn, 1998). This also improves the way in which the fashion products are presented. The result of this stiff competition is that the giant fashion outlets make the survival of small retailers with low budgets very difficult. Furthermore, for these retail outlets to survive in this highly competitive market there is a need for them to come up with marketing strategies that will make them stand out amongst their competitors. This paper looks at the various management strategies

that these fashion retailers need to adopt in order to make them more competitive in the saturated and volatile international market. This is the situation that has motivated the research in this area.

Literature Review

This section contains the literature surrounding the topic of retail internationalization with a particular focus on fashion retailing.

Retail Internationalization

Although retail internationalization as a practice has a very long history, it is not until very recently that academic research has begun in this field. Some scholars in this field have emphasized on how economic and political climate affects the development of the international operations. They highlighted the importance of the declining market opportunities as a major factor in retail internationalization.

One Treadgold (1990) has been credited as being the most important researcher in the field of retail internationalization. Most of his research focuses on documenting the company's strategies and stressing the main advantages that explains the reason why they got into a particular market and as a result leading to their internationalization (Helferich, Hinfelaar, & Kasper, 1997). Many other scholars in this field, such as McGoldrick (1998) and Helferich, Hinfelaar, & Kasper (1997), among others, have tried to look at the reasons that make companies enter international markets together with the motivating factors behind it. They also attempted to explain the total process of internationalization.

Motives to go International

Several major drivers for firms and business organizations to go international are saturation and competition in the home markets, coupled with economic downturns, unfavorable political climate, pressure from shareholders for the need of growth, heightening operating costs,

pressure to ensure there is a growth from other market drivers and opportunities being created because the overseas markets are opening up. As opposed to the situation for manufacturers, retailers and wholesalers must ensure that they are physically present in all places where they are having businesses (Helferich, Hinfelaar, & Kasper, 1997). It is imperative to note that both structural and cultural factors shape the operation of the business across distinct national markets. The levels at which retailers perform in local markets is of much importance when it comes to customer variations and segmentation along buying behaviors (Sayman, Hoch & Raju, 2002). What is important at this stage is to know that consumer tastes, preferences, and both buying and spending behaviors differ significantly across the board in the international market. As such, it has the end result of obstructing global sourcing and business at large.

Research has come up with even more issues that should be explored, which include different entry behaviors, international trade growth base, and international competition. More research by Treadgold (1990) also implies that, by recognizing a gap existing in the available research on retail business management, it is possible to measure the factors that determine business success and failures, especially in international retailing.

The ever-increasing number of retail internationalization in the recent past goes back to three decades ago, when it stirred up the momentous volume of intensive research. A number of researches based on similar themes have come up. Different authors have searched the direction that investment in the international front is taking (McGoldrick, 1998; Helferich, Hinfelaar, & Kasper, 1997).

Fashion Retailing

Fashion retailing is a type of retailing that is substantially different from the general retailing. Naturally, the demand for stylish goods and services rises during the period of low

supply of fashion items. If anything, retailing is represented by a bell-shaped curve, which is a representation of the beginning or start-up stage, growth stage, peaking or the maturity stage, and lastly the decline phases. The bell shape can sometimes be skewed either to the right or, what commonly happens, to the left, which is a function of the definite characteristics of a product (Helferich, Hinfelaar, & Kasper, 1997). The quantity demanded at each price level in any specific period is in most cases uncertain, largely because the sensitivity of quantity demanded to price paid varies over time. Products that for any reason are not purchased by the time a fashion season ends have a tendency of falling significantly in value (Topalian, 1984). This happens because the quantity of fashion goods demanded virtually becomes extinct as soon as the fashion season comes to an end.

With the increasing levels of competition in the global fashion market, there is a great necessity for improved marketing and promotional strategies to get the interest and allegiance of customers. The challenge therefore is that of product consumer base diversification in the global market (Akehurst & Alexander, 1996). Both the marketing and promotional strategies should have as their main target the various needs of customers that emerge from different backgrounds, tastes, and preferences in fashion. This means that a fashion retailer must by all means put into consideration relevant elements of marketing and availability of its product in the global market (Aaker, 1998). The major marketing impressions that a retailer should look at include clear knowledge of the target market, ease of access to the market, retail mix, and communication. The idea of retail mix is a moderately new observable fact. It can mean a combination of products, pricing, product promotion and advertising, customer after-sale service and selling, warehouse layout and even design. Such combinations as these are useful to draw and meet customer needs.

Brand Management

A product brand is definitely one of the key firms' assets. Any successful business must seek a unique brand image and, in the same breath, a unique personality (Helferich, Hinfelaar, & Kasper, 1997). From all the studies that researchers and scholars have documented, it is clear that product branding is important for any company or retailer who is going global. One element that is common in almost all studies is the fact that retailer internationalization is utterly a different process from what manufacturers undertake. It has also been established that existing theoretical frameworks in the global business call for major amendments if they will continue to be used in a meaningful manner to retailing efforts (Helferich, Hinfelaar, & Kasper, 1997). Despite the information gathered by several researchers, there is still a research gap in the topic of Strategic Brand Management and international retailers.

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