

Reiss and ted baker  
are growing uk  
retailers marketing  
essay



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## **Introduction**

The buying process relies on a wide range of information, which must be researched, analysed and evaluated to achieve a focused merchandise plan. Therefore, the two UK trading retailers that both stock and sell knitwear have been selected. The first one is Reiss fashion brand that has been established in the early 1970s and now Reiss is a multi-national fashion retailer with over 90 stores around the world. The company creates and produces directional and design-led womenswear and menswear and different accessories. The garments can only be purchased through Reiss stores unlike Ted Baker clothing. Thus, Ted Baker is a London-based clothing firm that offers a wide range of collections including menswear, womenswear , accessories, fragrances and eyewear. The company has earned its reputation as ' No Ordinary Designer Label' thanks to attention to details and a quirky sense of humour. The brand operates through three main distribution channels which is retail, wholesale and licensing. Consequently, this report will compile a SWOT for the chosen category, draw up a buying cycle and include approximate timings, reference the roles and key responsibilities in the different parts of this buying cycle. Finally, discuss how each retailer presents their range and explain similarities or differences and how these are translated in the store.

## **Company Mission Statement**

### **Reiss**

“ Mission is creating and producing directional, design-led menswear, womenswear and accessories by delivering innovative, original products and combining exceptional design, quality and value” (Reiss, 2009).

### **Ted Baker**

“ Mission is to build a thriving company through the creation of a leading designer brand, by conducting ourselves in an efficient and courteous manner and by maintaining Ted’s high standards and integrity” Ted Baker (2009).

### **Knitwear**

Knitwear as a selected garment category is stocked and sold by Reiss and Ted Baker the two UK trading retailers. What is more, the chosen category has a big enough range represented by each seller. Reiss offers not only women’s jumpers, V-necks, chunky knitwear, dresses but also men’s cashmere jumpers, cardigans and other garments. On the other hand, Ted Baker suggests jersey tops, wraps and many more both for men and women with quirky sense of humour such as looped fringe and popcorn details.

### **SWOT for the Knitwear**

The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective (Hamel & Prahalad 1994). SWOT analysis clusters key pieces of information into two main categories:

Internal factors - The strengths and weaknesses of the organisation.

External factors - The opportunities and threats presented by the external environment.

The internal factors may be viewed as strengths or weaknesses depending upon their impact on the organisations objectives. The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position. SWOT creates lists of strengths, weaknesses, opportunities and threats where organisations use these to generate strategies that fit their particular projected situation, objectives and their capabilities (Bourgeois 1996; Pearce and Robinson 2003; Thompson and Strickland 1998). The results are presented in the form of a matrix below.

## **Reiss SWOT**

### **Strengths**

Growing knitwear collection.

Total control over brand equity which is instore environment also visual merchandising and product quality.

Concessions in House of Fraser growth with reduced risk and cost.

David Reiss entrepreneurial drive and well known designer.

Successful expansion beyond UK and gained working experience with different markets.

## **Weaknesses**

Organic growth since there is no strategy driving knitwear forward

Confused brand positioning bridging position between mass market and designer

No portfolio management future funding for growth or new knitwear lunches not defined.

Lack of market research or marketing information resulting in misunderstanding of the external environment.

## **Opportunities**

Greater than before diffusion into existing stores.

Increased number of retail outlets

Women's stores only

Enhanced use of concessions to test new markets

New fabric technology

## **Threats**

Increased competition forcing to share the disposable income

Squeezed bridging position by designers from above and from below by middle market retailers

Massively saturated market

Change in buyer behaviour towards discounters and designer factory outlets devaluing the market.

Foreign competitors entering the UK market with new knitwear

Extreme weather condition harming supply of raw materials and increasing cost of goods.

Exchange rates deterioration between the placing of an order and the receipt of finish knitwear.

Reiss is a growing retail business in the UK that stocks and sells knitwear. The company has a number of key strengths as mentioned above in the table. Thanks to the excellent inhouse design team, the retailer gained industry recognition for the design. Furthermore, because of the brand equity control David Reiss managed to successfully expand into new cities with growing knitwear collection. However, Reiss has also a number of weaknesses such as lack of the strategy driving knitwear forward. Actual brand positioning is not the desired position as a bridging brand. What is more, the retailer does not understand the external environment very well and that the market is highly saturated. Nevertheless, significant growth opportunities are available within the business as well as further expansion across the UK and other countries and continents.

## **Ted Baker SWOT**

### **Strengths**

Review knitwear collections continually to ensure the company reacts to trends and meets customers' expectations.

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Concessions in House of Fraser, Debenhams growth with reduced risk and cost.

Carefully manage the development of overseas markets.

Organic expansion thanks to word of mouth.

## **Weaknesses**

Multiple systems with different levels of interfaces make it extremely difficult to get hold of business information - and reports do not ensure accuracy.

Lack of control over brand equity due to the fact that Ted Baker operates through retailers, wholesalers and licensing.

## **Opportunities**

Considering new territories for expansion

Constantly looking to extend and breadth of knitwear collections and enhance the offer.

## **Threats**

Fashion brand needs to be constantly fashionable

Relying on team trustees and partners to protect the brand and ensure that it is presented in an appropriate way.

Increase in operating costs due to growth in payroll property and other costs outside the scope of the company's control.

Exchange rates and interest rates fluctuations

Operational problems including distribution to the infrastructure that supports the business.

Ted Baker has become a globally renowned lifestyle brand. The company has many key strength as mentioned above however, the biggest one is that without relying on advertising and self-promotion the retailer expanded organically. The word of mouth and saved money contributed positively to its UK success to drive growth and develop international operations and extend its knitwear range. However, some weaknesses appeared such as multiple systems with different interfaces or lack of control over brand equity. Nevertheless, Ted Baker is constantly looking to extend and breadth the knitwear collection and enhance their offer.

## **Customer Profile**

### **Reiss**

Reiss the brand has become recognised as progressive fashion-led retail company, designing and producing own-label ranges. The select garment category that the retailer stocks and sells is knitwear which is targeted at style conscious men and women aged 18-40 years. The table below breaks down this in more details.

Source: based on company information

Three person types can be identified first one young student aged between 18 and 25 with limited purchases. Followed by more lucrative professionals who buy larger range. Finally, older fashionable age 35+ with aspirational purchase type.



## **Ted Baker**

Ted Baker is a designer with attitude that appeals to a broad target audience of men and women the 18-40 year old market. However, Ted Baker is not just a brand but a way of life with its own unique quirky style. The customer profile is similar to Reiss but everything produced under the Ted Baker name has his personality. Therefore, buyers are more quirky and with different characters very often wanting to stand out from the crowd with clothing that is designed to be affordable and high quality.

## **Buying cycle and approximately timing for each of the key stages**

Figure 1. An example of buying cycle Source: Goworek (2007)

The fashion industry splits the year into two main seasons which is spring/summer from February to July and autumn/winter which is August to January. Due to the fact that the fashion industry is very competitive and constantly changing many retailers such as Reiss and Ted Baker were forced to introduce new products from the knitwear range at least once a month. Furthermore, the lengths of buying cycle varies between Reiss and Ted Baker however, approximately it takes a year between reviewing the current season's sale and delivering it into stores.

## **Reiss buying cycle**

Figure 2. Simplified Reiss Buying Cycle

Creativity - The knitwear is sketched by a designer

Sourcing- Designer primarily source the fabric for a style he has in mind. Then cross sourcing of buttons and trims or different fabric that may be cheaper is done. The main fabric supplier for knitwear is China. However, Asia Pacific fabric suppliers only supply 2, 000- 3, 000 meters and sometimes that is too much for Reiss. In order to meet this quantity, reduce the risk and stay profitable Reiss shares the same fabric across men's and womenswear.

Manufacturing- manufacturing the garments.

Outbound logistic - warehousing and distribution.

Retail- merchandising and attempting to manage the flow of goods in order to reduce stock holding also good visual identity in the store.

Customer- final destination of manufactured product

## **Ted Baker buying cycle**

Figure 3. Simplified Ted Baker buying cycle.

Each new collection of Ted Baker's fashion garment is created to satisfy a predicted target consumer demand. The predictions are based on past sales, input from designer, merchandiser and buyer. The collections are influenced by trends observed in fashion and other fashion related industries such as music, entertainment. All of these elements are combined to determine concepts and themes for a new season. Furthermore, Ted Baker develops relevant textile materials and colours and selects them accordingly. Trims and other details are added later in order to coordinate the whole design. Then the final garment is grouped into product lines that will meet the cost

of production and delivery time requirements. The time taken to make bulk orders of garments can vary but Ted Baker's rough estimate reveals that production of fabric takes about six weeks. Manufacture of a single style another four weeks. Since most garments sold in the UK by Ted Baker are imported, transport time also counts. The manufacture of each style needs to be planned in advance into factory's schedule. Furthermore, Ted Baker uses integrated system across the business to order products, control and distribute stock and manage different sales channels.

### **The role of designer**

Reiss manufactures a combination of high street fashion with the designer looks. The role of the Reiss designer is to work on the design of items of clothing and fashion ranges. The whole process takes place at the very beginning of the whole buying cycle. The key responsibilities of the designer is to spot buying pattern, seasonal trends and combine that with celebrity catwalk influences when sketching the knitwear. Furthermore, in both companies the designer creates and produces a design, keeps up to date with industry trends, plans and develops a range. Most importantly, that person liaises closely with buyer, merchandiser to ensure that the item suits the market and customers' needs.

### **The role of buyer**

The role of buyer is to link between manufacturers and consumers in the clothing industry. The whole process takes place later in the buying cycle however, to predict and buy what customers want for next season is quite a challenge. The information is the essential groundwork to be successful and

the key responsibilities in this job are: (a) planning policies, (b) buying in, (c)  
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budgeting, (d) planning model stock, (e) contacting vendors, and (f) planning promotion (Bohdanowicz & Clamp, 1994). However, the most important part of a retail buyer's role in a retail company is fulfilling company objectives by making precise and appropriate decisions of merchandise planning and assortment planning. The reason for that is that decisions associated with the purchase of merchandise are critical to the profit potential of a retail company such as Reiss or Ted Baker. Therefore, the clothing product retail buyer plays an important role in the success or failure of a retail store (Diamond & Pintel, 1976).

### **The role of merchandiser**

Merchandiser needs to plan purchasing activities at the right time, at the right place and in the right quantities and at the right price (Mazur, 1927). Frings (1994) and Clodfelter (1993) agreed that the merchandiser plan has to include a financial plan which allocates specific amounts of money to each division for the purchase of an appropriate assortment of clothing product that will meet the consumer demand within a specific season. The role of merchandiser therefore, is to check local retail competition also physical expansion or alteration needed in the store. Plan promotion, trend and seasonal consumer demand. Reiss's merchandiser drives sales and profitability, sets targets, negotiates prices and production with suppliers. Ted Baker's merchandiser function is increasing in importance within major retail multiples and plays an integral part of the Head Office buying process.

### **The role of allocator**

Allocator is involved with distributing stock to retail outlets by using a computer system under the guidance of the merchandiser (Donnellan, <https://assignbuster.com/reiss-and-ted-baker-are-growing-uk-retailers-marketing-essay/>)

2007). Allocators both in Reiss company and Ted Baker are responsible for chasing deliveries and distributing stock to stores. Furthermore, they need to make sure that the right sizes and volumes reach the right stores. Ted Baker allocator has even more responsibilities and needs to pay greater attention to details since the retailer operates through three main distribution channels. When some garments would be distributed wrongly the firm could lose a lot of money. Therefore, allocator needs to communicate with the merchandiser effectively in order to ensure that the stock is replenished and stockroom space is being used properly followed by shop floor space.

### **How each retailer presents their range and how these are translating in the store.**

In Reiss significant effort has been put into visual imagery to support the brand. Window displays and instore graphics have helped communicate a strong brand image for Reiss. Since the products are aspirational store are chosen in prime and quality locations nationwide and worldwide.

Furthermore, Reiss stores are larger than Ted Baker's more than 3, 000 sq ft to accommodate the combined offer of men's and womenswear has been used. What is more, buildings with individual architectural features are chosen in order to help make the stores unique. Furthermore, the actual store designs are enhanced and complimented by the architects in order to achieve the Reiss signature and Ted Baker. In both companies key aspect in a design is usage of materials accompanied by appropriate lightning and textures conveying warmth with vibrancy.

Reiss and Ted Baker aim to communicate a consistent creative marketing message through their stores. Therefore, both retailers' stores environments

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are carefully considered with staffing, merchandising, music and seasonal graphics as key elements of the mix. All the Reiss stores are individually merchandised to take account of the specific context of the store its local market and to ensure that each store has its own personality within the offer.

## Reiss

Furthermore, Ted Baker ensures that every element of the shopping experience from the aesthetics and aura of the store environment, to the quality of service and range of merchandise on offer were precisely to the standards that Ted would expect. Therefore, the music is selected to enhance the environment and changes to reflect the mood required. Unlike in Reiss stores Ted Baker changes the internal graphics during each season with the intention of communicating the current season's messages. This change includes pictures, wallpaper and handpainting. To sum up, both retailers present their range in a similar way and translate that in the store.

## Ted Baker

### **Reasons for specific selections**

I choose Reiss because I applied for the student placement there and I want to know more about the company. I choose Ted Baker because it is Reiss's competitor and also because I'm a customer and want to find out more about the company

### **CONCLUSION**

After detail analysis it can be concluded that both Reiss and Ted Baker are growing UK retailer with strengths and weaknesses

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