

Citi trends retailing mission marketing essay



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Citi Trends is a clothing retail store that caters to urban families. Their anchor in the market according to the establishment is that " Citi Trends, Inc. is a value-priced retailer of urban fashion apparel and accessories for the entire family." The Citi Trends' mission statement advises the consumer of who the target market is and the product that is being offered. (42) Citi Trends advises us in their strategy that they will " search the world for quality fashion items at outstanding prices to provide value to our customer". In this statement, the retailer establishes how it uses its resources. The retailer relates to the ever changing environment by the " merchandising of 'everyday low prices'". The retailer establishes that the kind of values it intends to provide in order to serve the needs and wants of the consumer by stating " As a team, we are committed to deliver exceptional value to our customers."

The statement of goals and objectives was is clear for the urban wear outlet. Citi Trends was determined to enter the market by providing low-priced real urban brands and urban style fashion for the entire family. The market performance objective was clear because the retail store now has 513 stores in 29 states, and their product is 60% off mall prices. (44) Their financial objectives were set to be publicly traded, which they are. Citi Trends can be found on the NASDAQ exchange with the symbol CTRN. (45)

Their ultimate strategy is apparent. Citi Trends was to " get shoppers to the store by making low-priced name brand urban wear to entire families... mother, father, and children. (52) This attracts shoppers to the store by converting them to shoppers and inducing them to buy products. Not only can a woman shop for herself, but she can pick up a few things for the

children and significant other. (53) Ultimately, this must be done at the lowest operating cost. Last year, 40 positions in the company's corporate offices, distribution centers and store organizations were eliminated to meet those operating cost without consequence to the customer. (55)

Citi Trends' retail customers are those who the retailers want to provide with customer satisfaction. In this particular case, the retail customers are urban families. The customer will look for name brand quality merchandise, as advertised, with discounted prices lower than those found in a mall. Citi Trends has used market segmentation to target the urban community as customers. (79)

Citi Trends has established their main competition as malls. A mall to this retailer would be considered pure competition. The products are homogenous. (112) The buyers and sellers have perfect knowledge of the market. There is also ease of entry for both the buyers and sellers. Citi Trends offers discounts on clothing of up to 60% off of prices found in the mall. Citi Trends carries name brand lines such as Rocawear, Apple Bottoms, Coogi, and Dickies. These same designer brands can be found in the mall but at inflated prices.

Citi Trends has established an indirect supply chain. The products are shipped from the manufacturer to the retail distribution center and then to the retail stores for the customers to consume. (162) For example, the manufacturer of Rocawear products will ship their items to one of Citi Trends' distribution centers in Darlington, SC or Roland, Oklahoma. The distribution center will then ship the products to one of 513 stores in 29 states. The

products are tracked by SKU numbers. (166) These numbers will inform a manager of which lot the product came from, which store it is being sent to, and the product information.

Citi Trends never engages in vertical price fixing. This is when the manufacturer collaborates with the retailer to resell at an agreed upon price.

(194) All products in Citi trends often are labeled with suggested retail prices. More often than not, Citi Trends has their own price listed that is well below the manufacturer's suggested retail prices. However, the consumer will hold the retailer responsible if the goods are below satisfactory construction. Most consumers expect that the products are fit to wear. Therefore, there is an implied warranty of fitness. The consumer expects that the clothing is without defects. (204)

Because Citi Trends is in direct competition with the mall establishments, the obvious locations for this retailer would be away from the mall. Most Citi Trends stores are located in smaller strip malls conveniently positioned by many hair product establishments. Since the target market is urban families and urban families frequent many hair product establishments, this would be a convenience for the customer. Citi Trends would normally be an anchor store in a shopping center because it is a larger store centered on smaller stores. (234)

Citi Trends has grown financially in 2012 comparable to 2011. Total sales in the first three quarters of fiscal 2012 increased 3.6% to \$479.0 million compared with \$462.5 million in the same period of fiscal 2011. This would suggest that during the same months in 2011 the company gained \$16.5

million, which is an increase of 3.6%. Comparable store sales decreased 3.1%. Net loss was \$1.5 million, or \$0.10 per diluted share, in the first three quarters of this year, compared with a net loss of \$4.7 million, or \$0.32 per diluted share, in last year's first three quarters. This means that competitive stores such as It's Fashion or mall stores, lost money while Citi Trends has grown.

Citi Trends uses a basic stock method for planning dollar inventory investments. A certain amount of stock is kept as a certain amount of stock is sold. (317) The merchandise line of Citi Trends consists of clothing with a variety of men's wear, women's wear, children's clothing, and infant wear. The breadth consists of different designers such as Rocawear, Apple Bottom, Ed Hardy, Coogi, and other name brands you may find at the mall. (322) The merchandise depth has constraints such as space and dollar-merchandise. The manager can only include the number of SKUs they can carry, and space is limited by the demand by consumers for an outpouring of different designers. (323)

Citi Trends pricing strategies include the suggested retail prices of the merchandise factoring in labor, promotions, and overhead. The retailer has to also consider what the target market is able to afford. Since their promotion is anchored on 60% of mall prices, only affordable merchandise can be offered. The location has overhead such as leasing and utilities. Also in order to attract customers, advertising must be factored into the cost of the merchandise. (360)

Citi Trends main form of advertising is radio. The retailer does not engage in e-tailing, and the internet website is somewhat basic. (413) By choosing radio advertising on urban radio stations, the retailer can reach out to the target market. By using local stations in select markets, the retailer can use a national ad in many venues to advertise promotions knowing that most radio audiences have affection for their favorite radio personalities.

The store layout of Citi Trends is a basic one. One large store sectioned in to a men's department, women's department, children's department, and infants' department. Recently there has been a section added for shoes, socks, undergarments, jewelry, and accessories. The graphics of the store includes "lifestyle imagery and a city feel". The customer may be attracted to the color scheme of the store. It uses bright colors that intrigue the customer.

Citi Trends is a prime example of gaining momentum in the retailing industry. The target market is clear as well as the objectives. Although many aspects may be basic, a retail manager may grasp the understanding of management in the retail industry.