

Mango clothing essay sample

[Business](#), [Branding](#)



1984 - First store in Barcelona's Paseo de Gracia by Isak Andic (Co-Founder and CEO) 1985 - First store in Valencia and start of National scale expansion. 1988 - Improvement of stock management system. Production, Logistics and Distribution application of Just-In-Time system, as per market demand. The concepts of product, interior design, quality, price, and brand image are defined. 1992 - Their international expansion begins with the opening of 2 stores in Portugal. 1994 - Implantation of a business management system which still exists today, based on specialized and coordinated teams. 1995 - Their website MANGO.com is created. 1997 - For the first time, foreign turnover exceeds domestic turnover. They opened a flagship store in Paris, in the famous Boulevard des Capucines. 1998 - MANGO positions itself as Spain's second largest textile exporter. 2000 - They opened a new flagship store in London, in the central Oxford Street and launched online shop, MANGOshop.com, being pioneers in its sector. 2005 - MANGO TOUCH is defined as a new fashion venue dedicated exclusively to accessories. 2006 - Their experience in the North American market begins, with store openings in Costa Mesa, Chicago, Dallas, Los Angeles, McLean, Orlando, San Francisco and Santa Monica.

MANGO holds its first fashion show at the emblematic Palau de la Música Catalanain Barcelona. MANGO also, launched the biggest international fashion prize for up and coming designers, the El Botón-MANGO Fashion Awards. 2007 - They opened the largest design center in Europe, the ' El Hangar Design Centre' and opened a new flagship store in the heart of New York's SOHO district in the Little Singer Building, one of America's first skyscrapers. They started to collaborate with external designers and count

on the collaboration of celebrities such as Milla Jovovich, Elisabeth Hurley and Penélope and Mónica Cruz.

2008 - They continued with the 2nd Edition of the El Botón-MANGO Fashion Awards. HE, Homini Emerito, is created, aimed at the young, fashion-conscious male. With this new collection, conceived as a complement to the women's collection, they were moving towards the concept of the multi brand store, in which it is possible to encounter collections by different authors and of different styles belonging to the same company. 2009 - They continue to work with external designers like the New Yorker Adam Lippe and the Belgian Sandrina Fasoli, winner of the 1st edition of the El Botón-MANGO Fashion Awards. (Mango)

Introduction to Spain

Apparel industry

Valued at \$33.38 Billion in 2011, 1.3% growth over 2010 First time growth since the economic recession began in 2008. Forecasted growth from 2010 - 2015 of 10.5% Spain is the fourth largest producer of textile Behind Italy, France, and Germany

Population Statistics

Population of 46,754,784 67.7% aged between 15-64 years old 77% live in an Urban Environment Literacy Rate 97.9% 67% of those aged 18-19 live at home Unemployment rate rose from about 8% in 2007 to 20% in 2010 and 25% in early 2012 Also, budget deficit is on rise.

Brands by MANGO

H. E. by MANGO

H. E. by MANGO was created in 2008 to offer men a contemporary and modern fashion range. The collection, aimed at the young and fashion-conscious male, is based on adapting the latest trends to a simple, every day and urban style. It has a network of 112 stores worldwide, including exclusive H. E. by MANGO stores located in Ankara, Barcelona, Madrid and Singapore.

TOUCH

Spanish mega-brand MANGO has just launched its concept store chain, MANGO Touch, dedicated to MANGO's accessories collections. The Barcelona store opened recent Lyon Rambla de Catalunya and MANGO Touch, already a success in Madrid, will expand to 15 other locations across Spain. MANGO Touch stocks shoes, jewelry, fragrances, underwear and handbags, among other products, and also offers exclusive collections. Minimalist décor allows shoppers to focus on the affordable products on offer. (Mango)

Statistics for MANGO Company

Turnover

For the 2010 financial year amounted to 1, 269, 532 thousand euros, while the consolidated profit for the same period reached 101, 164 thousand euros. It is particularly worth noting that 81% of the total turnover corresponds to sales to foreign markets. As at 31st December 2010, the group employed a total of 9, 775 staff. The expansion of the MANGO group continued during the 2010 financial year with the opening of 464 new stores throughout the world.

At the end of the 2010 financial year, they were represented in 102 countries. As at 31st December 2010 the group had 707 own stores and 1,050 franchises. The total selling space of the chain is 429,754 m² of which 220,387 m² corresponds to company stores (51.78%) and 209,376 m² correspond to franchise stores (48.72%). MANGO obtains 84% of its 2011 revenue abroad.

Employees and nonfinancial company data

The statistics show that the company staffs are young and enthusiastic, with average age of 30. Moreover, 82% of employees are women.

Today MANGO is present in more than 107 countries worldwide with more than 2300 retail stores, all of which are located in prestigious locations. Stores are always spacious to allow quality display of collections. " This is our winning formula that we apply and adapt in every country where MANGO runs successful outlets: this formula has been and still remains the keys to our international prestige and commercial success Its goal is " to be present in every city" in the world. ". (Mango) Despite being a Spanish clothing company, and having the most stores in Spain, with a large proportion in Madrid, the city of Istanbul, Turkey, is the one with the largest amount of MANGO stores. (UK essay2011)

Figure 1, Annual Sales 05-09

MANGO's existence map

Figure 2, Countries with MANGO store

MANGO competitors

H&M

Hennes & Mauritz (H&M): Swedish Company Operating since 1941 Targeting young, cosmopolitan men and women between 18 and 35 Opened in Spain in Spring 2000, today run 126 stores Ranked second in Apparel in Spain. It is a global company with same website and promotion strategy around the world. Strength: Outsourcing to offer low prices Weakness: Price= Quality in Spain, No E-commerce in Spain

Blanco

Blanco: Company of Spanish origin founded in 1960. They make appeal toward young, urban men and women with around 200 stores in Spain, Portugal, United Kingdom, Dubai, Saudi Arabia and Greece. Blanco Operates in different divisions such as Blanco ACCESSORIES and Blanco STOCK. Promotions focus on the clothes and personality of Blanco. Strength: Creating the Blanco experience in stores.

Weakness: Not a big fashion player in European market or Spain

Zara

Zara: Company of Spanish origin founded in 1975. It is owned by the Inditex Group. Targeting young, cosmopolitan men and women interested in upscale clothing at affordable prices with over 1, 577 stores in 78 countries. "Zara's international footprint proves that national borders are no restrictions to a shared fashion culture" Strength: Unique response to market demands.

Weakness: Vertical integration (Ogundipe, Zayfert, & Rosenberg, 2011)

Big players market share in Spain

Zara Market Share of 9.8% H&M Market Share of 3.2% Blanco Market Share of 2.9% MANGO Market Share of 2.6%

Figure 3, Spain main garment competitors

Structure-Conduct, Performance Model

According to this model three types of data will be examined to get an idea of the market in which the company operates.

Nature of product:

The product is differentiated and very wide in range and they keep changing each season, which makes a barrier for a new comer to the business. They are not very technical or complex but are very rare and hard to develop without copying or being tasteless.

Figure 4, Price Quality Positioning for MANGO

As the table suggest it is hard to catch up with MANGO garments for a new entrant.

Type of competition:

The market is full of professional competitors with years of experience and huge sums of money to back them up. They keep bringing better style, new materials and try to steal the market share from each other.

Barriers to entry:

1. Big financial support 2. Customers loyalty to a brand 3. Innovation a key 4.

Spread of big competitors stores all over Spain According to the reasons and situation stated the market structure is an oligopolistic market.

Porter's ' Five Forces'

Michael Porter (Harvard, Competitive Strategy 1980) developed the so called 5 Five Forces Analysis model to better identify factors that shape the character of competition, to assess the

structural attractiveness and business value of any industry and to pinpoint strengths and weaknesses in a company. " Vernon Prior"

Bargaining power of suppliers:

MANGO chooses its suppliers according to each product characters. MANGO does not invest in any supplier. MANGO is not the only customer for any of its suppliers. Every new season MANGO finds some new suppliers for fulfilling new technical requests from various fabrics to new suing methods.

MANGO keeps its relationship with suppliers long and healthy in order to face fewer complications and to focus on its core goals.

Bargaining power of buyers:

Due to changes in world economy the buying power of customers has been reduced as well as their disposable income. This is leaving their option to bargains and offers.

Threat of new entrants:

Asian producers entering this market raised the threat for not only MANGO but other manufacturer of garment in Europe due to the change in the Asian taste, availability of technological knowledge and more investment power. This led the MANGO to change its strategy to some extent.

More and more competitors now a days enter this market with no capital due to internet and online and virtual stores that requires not much investments which leads to more competitive prices and cost effective production.

Due to changes in economy many business dropped and/or changed their business ad focused on less affected markets like fashion industry. Many new entrants in this market came into existence after economic crises in the world such as Mark Charles, Aurelie Bidermann, ETC.

Threat of substitute products:

MANGO is among rather cheap brands in comparison to its competitors and upper level brands. This requires substantial economies of scale to produce and take into consideration its substitute that can be any garment with no brands or local producers.

Intensity of competitive rivalry

In order to preserve competitive advantage MANGO raised a set of new objectives which can assist them to grow and develop their competitive advantage. Here is a listed of these objectives: 1) reinforce brand image as a designer product, 2) personalize retail outlets, 3) plan financial resources, 4) continue optimization of logistic processes, 5) continue managing the distribution chain efficiently, 6) invest in new technologies and facilities and

7) emphasize the role of E-business (Rodriguez-Donaire, Casi, & Carbonell, 2011)

Figure 5, Silvia Rodriguez-Donaire; Enric Casi, Xavier Carbonell

Recommendation

MANGO should think more about its confused positioning. MANGO could progress its Ebusiness accounts for 0.4% of turnover. They have limited product range and customer believe that is why Zara took the Spanish market as a couple would like to go shopping together and due to no choice in MANGO stores for men they choose to visit Zara instead. MANGO could take advantage of their vertically integrated business model and introduce HE

into existing MANGO stores, but they convert them into multi-brand stores. This would not be suitable as MANGO stores are typically larger than their competitors, who service a broader range of consumers. There is potential for MANGO to dilute their established women's brand and MANGO must careful not to alienate their existing market. MANGO's technology systems would afford the ability to analyse decisions and whether they improve the organisation's profitability. During 2008 an internal environmental management system was created and put into operation at their facilities and distribution centres in Spain, known as the MANGO Environmental Management System (SGMM). This includes all the aspects envisaged in the ISO 14001 certification; likewise action could help MANGO to stand out among competitors in Spain.

Conclusion

As conclusion MANGO a well-known brand is focusing on globalization very much that they are losing on Spain market share. That might lead to profitability but in case of global reject due to various possibilities they better work on Spain market more. Their expansion continues with the recent entry in countries such as Guadeloupe and Monaco but is it economical to enter African market instead of European market? Are the customers in these two markets compatible in the sense of purchasing power? These are questions that one might ask from strategy planners of MANGO.

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