

Geordano-positioning for international expansion essay sample

[Business](#), [Customers](#)



Question 1:

Describe and evaluate Giordano's product, business, and corporate strategies

Product: Giordano's main product's is casual clothes for men, women and children. They have different kind of brands which include Giordano, Giordano Ladies, and Giordano Junior. This business is a retailer itself. They started their business in year 1980 in Hong Kong. They sold a numerous kind of clothes to their customers to all kind of ages.

Giordano has become a pioneer is customer service in Asian Pacific Regions. Giordano focuses on five corporate values which include quality, knowledge, simplicity and service. However, in recent years they have been coming up with their brand mainly because of the services provided. These services were provided by the employees and the sales person attending those customers at operating level. The credit goes to both management and the employees whose core objective was customer satisfaction. The concept of value for money explained by Lai the chairman and founder of Giordano is that

" Consumers are learning a lot better about what value is. So we always ask ourselves how can we sell it cheaper, make it more convenient for the consumer to buy and deliver faster today that [we did] yesterday. That is all value, because convenience is the value for the consumer. Time is value for the customer."

The concept of Value for money is to maintain the credibility towards customers and keeping them happy and satisfied. Their strategies are normally on the concept of high quality and giving the best services. Their product's big name is in Asian countries.

Business: Giordano's main strategy is to understand their customers as to how they respond on their products and this follows the strategy of products. Their main aim is become the leading retailer shop all over the world under cost so that their customer's are happy. However, they are very similar to the American brand " The Gap" as per selling same kind of products but with different brands and different style. But they have different kind of business strategies and different targeted market.

Corporate: Corporate Strategies followed by Giordano are mainly considering the corporate market of competitors and other supplies or manufacturers. The main targeted country for Giordano is China. Whereby, it's easy for them to coordinate with the supplies for the good quality products. However, as the economy goes down China was the first to experience a bad flow in their economy. But Giordano main strategy was to maintain the uniqueness and quality of the products no matter how bad is the economy.

QUESTION 2:

Describe and evaluate Giordano's current positioning strategy. Should Giordano reposition itself against its competitors in its current and new markets, and should it have different positioning strategies for different positioning strategies?

Giordano's current positioning strategy is value for money. This means that Giordano believes in creating and maintaining customer satisfaction. Consumers are given more preferences in their business. However, at operating level it is the employees and sales people who are attending these customers, but they are not paid as they are suppose to get paid. For this Giordano provides its employees bonuses all over the year and different kind of leaves. These kinds of services are also known as service differentiation. Other kind of positioning strategy followed by Giordano is merchandise to their customers in such a way that the price is still affordable and their product remains unique because of their quality.

Giordano should reposition itself in the current market and the new markets because they have enough fame with the brand " Giordano". The management has ways to make money and to work on the concept of value for money. Employee's efficiency and speed up when out of stock has brought a good reputation in the existing market. Giordano is not going to face any kind of risk involved if they are willing to expand their business or reposition in new markets. However, creating the same value of customers and customer satisfaction will take some time which is not at all specified. At the same time it can also cause troubles to existing market due to the target segment. This might being up some issues for repositioning themselves in the new market and the customer's respond is hard to predict. The only concept and idea they have is the customer services which are given to all its customers from different part of the world. Secondly, they should maintain the quality and the merchandise of affordable cost towards its

customers. Lastly, they should bring up and improve their service differentiation in the markets as compared to the existing markets. This will lead them to create customer awareness to their product and keep them happy. Company might also improve their services in this way.

We think that if Giordano is ready to position them self in new market and reposition in the existing one then they should also create different kind of strategies so that they can experience different kind of respond. They should work on those strategies which are not followed in Asian countries. However, looking at the economy and if its booming then they consumers spending power increases because their income also increases. At this point Giordano can actually new products and new strategies so that customers are aware of company's existence in bad and good times of the economy. Apparently, this will increase Giordano product prices and higher value brand. They should position them self in the new market slowly as the economy rises. Due to economical crisis it will be hard for Giordano to catch up with customer's attractions which lead to company to not understand and the customer and customers will be confused with their brand in the new market.

QUESTION 3:

What are Giordano's ' key success factors' and sources of competitive advantage? Are its competitive advantages sustainable, and how would they develop in the future? The key success factors of Giordano are that they have controlled their budget on advertising and have kept a very good

system for recording the inventory. They have kept a really good and effective system which records their inventory and sends a report to sales and distribution department at the end of the day. The delivery of the new stock is done in the night and inventory is available before they open their stores. This system is computerized and there different kind of flows of transmits data in different branches. The control on stock is normally on those products whose demand is more than other products depending on the seasonal offers provided by Giordano in different countries. Consumers normally tend to buy products which are “ discount or on sale”.

The competitive advantage for Giordano is the brand itself. Giordano has a good reputation in the market and thus people are normally happy and satisfied with the services and goods provided by them. However, the employees appointed are well trained and hired by professional interviewers. In return these employees are not paid as good as other companies do, but Giordano offers them bonuses all over the year. One good advantage is that fewer employees at every Giordano are given few rights to take any sudden or important decision which saves time and create trust among employee and employer.

Yes, these advantages are sustainable because among these advantages no competitor has actually stood up in the market to compete with Giordano and hence, they are one of the leading corporations in services world which are provided to both customer and employer. Giordano was also awarded at different kind of places for keeping their brand as a familiar brand to the world in almost 30-40 countries all over the world. All of these advantages

are occurred currently. However, in future they can still create awareness in customers by improving their services, making proper investments, managing trained employees and budget their finances. Their main target in future should be European countries as they don't have any branch over there. Giordano should be more services oriented and should make proper investments in organizational goals and recruitment and training and development for employees.

QUESTION 4:

Could Giordano transfer its key success factors to new markets as it expands both in Asia and in other parts of the world?

The competitive advantages for Giordano like computerized system, transmit of data flowing across branches will be slightly harder for them to operate in other countries. For Giordano to create such kind of IT based systems they need strong and powerful soft wares which can be operated in different continents. Not every country follows the same codes and principles like Asian countries. In fact, European countries have stronger IT systems and it will turn to a tough competition. However, the competition for them to operate their transactions will be slightly impossible. But, they can still continue operating there on a small system which can transmit date across different cities in the same country and then the headquarters can send the information to the main headquarter which is Hong Kong.

The competition increases in respect with different brands included in foreign countries. For instance, The Gap operates only in USA, Europe and Japan

which are the main industrial countries of the world. Espirit operates in almost every country in this world, but comparatively The Gap makes more profit than Espirit. In terms of sales turnover The Gap makes \$16267 million which is way higher than \$2662 million for Espirit. These two companies are the leading corporations of today's world. Giordano existence in this market and to maintain the same reputation as it is in Asian will be really hard. To recruit new employees in a new market is easy but to train them with the existing strategies in a new market is slightly challenging. There is a big difference between the Asian and other country's market.

Hence, Giordano should analyze and understand the market properly so that they can operate easily and still keep good reputation and competitive advantages in the new market. Nevertheless, they can still operate in Asian countries and operate and expand their business in other countries on a small scale and periodic time.

QUESTION 5:

How do you think Giordano had/would have to adapt its marketing and operations strategies and tactics when entering and penetrating your country? When Giordano entered Malaysia they had to follow the same marketing strategies as they did in Hong Kong when they started operating their business. At first there wasn't anything which concerned them for customer service. As they started operating in other countries it rapidly became a trend for Giordano. However, every country has different scope of growth. In Malaysia, consumer taste and style differ from other countries.

Thus, the marketing strategies might be the same but the scope of response is different.

At operational level every country has different strategy of convincing and satisfying their customers. However, this depends on the management as per how they develop and train their employees. Normally at operational level it is the employees interacting with the consumers every single day.

These strategies take huge planning and investment on a particular project. Tactics depends on the marketing style of that particular country. Every store, management, country follow their own tactics to get customers. Some come up discounts and some come up with sales. These are tactics which are done by their management to attract customers. It normally depends on how well that particular store is in making money. However, it also depends on the economy of that particular country and what actions is the management taking towards their business.

Giordano's main strategy of value for money, service differentiation, inventory record and fast distribution centers are a remarkable and spectacular strategies for any country. However, transmitting the transaction in other branches is cheapest and the fastest way to report the head quarters.

QUESTION 6:

What general lessons can major clothing retailers in your country learn from Giordano?

Giordano's reputation in Asian countries is at a very good level. They have plenty of branches in Malaysia. The basic concept of value for money can be a good lesson to other clothing retailers. This concept can make them realize the importance of customer satisfaction. Product differentiation is another concept created by Giordano and to maintain the inventory.

Basically, anything which includes Giordano strategies can be a general lesson for other retailers because their outstanding strategies has led them to success and making profits. Customer service is another strategy followed by Giordano. Apparently, this has become one of the most powerful and efficient strategy followed by Giordano and hence, Malaysian clothing retailers can learn and experience it in this country. As per the market in Malaysia, consumers are normally looking for services. They are clever enough about the market and they have the knowledge of other clothing retailing shops too. However, it has been analyzed that Giordano is one of the leading clothing retailing shop in Malaysia. So normally other up coming firms will follow the same steps and the same strategies to stand in the market.

The other strategy which is followed by Giordano is the pay to their employees with bonuses. To give services to the customers these employees should be well trained and should be given bonuses so that they are always happy with the firm. Malaysian clothing retailers should recruit good employees and skilled one this will save their time of training. However, these employees should have at least one year contract so that they don't leave the company and the company is committed to their employees. Most

of the businesses experience this problem in Malaysia that they train their employees and the quit the job after few months. Even if the employee needs training, then a strong training and development program should be created by HR department through which they can train their employees which mainly includes customer service.

Lastly, the concept of other retailing shop should be to understand the customer as Giordano does. This has lead Giordano to gain profits and customer satisfaction. And this can be a strong strategy from the management to the employee of any business in Malaysia.

Reference:

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