

# The fashion channel

[Business](#), [Marketing](#)



## Marketing The Fashion Channel Case Identification and Analysis of the Case

In the Fashion Channel case given by Wendy Stahl (2007), the management team at the company also represented as TFC, has to identify the customer market that it should target. The team is also tasked with the work of identifying where the company can be positioned and the market strategy to be used. Dana Wheeler is in the management team and for a person in her position; the task will require getting almost everyone in the management team involved. When it comes to identifying the marketing strategy that the company should use, TFC has to consider how it can boost its market ratings and improve the levels of satisfaction for its operators. According to Stahl (2007), TFC needs to strengthen its position in the competitive market by spending more or around \$60 million on promotion and advertising, among other activities.

Dan Wheeler's opinion is that the only two key drivers of revenue growth are the ratings or customer viewership and the second is through increasing the price of advertising. Hence, the implementation made has to increase on the revenue generated from advertising or the ratings obtained from the viewers on TV. The key goal of the management team in marketing is to ensure that it improves its rating against that of its competitors who are companies such as CNN and Lifetime. One of the most notable differences that exist between the competitors and the Fashion Channel Company is in regard to how programs are aired. For a firm like CNN, it has to air its fashion programs on certain days of the week because it has other programs such as advertisements to air. For Fashion Channel program, it has to air its fashion programs daily as it is dedicated to fashion.

## The analysis of key alternatives

### a) Segmentation Alternative

By using the “fashionista” segmentation method as an alternative, the Fashion Channel has both an advantage and a disadvantage. From the case as given by Stahl, the base number of some the years used is capable of producing a net income of more than \$100 million. This is a scenario in the case that seems to also promote the TV ratings and also seems to strengthen the audience value for fashion. The reason behind this is that the company can now be in a position to compete against its competitors who claim ownership of a large audience of female members.

As every technique used may have or not have a disadvantage, this alternative method has a disadvantage. According to Stahl (2007), this is a scenario that is likely to result to a decrease in the ratings for the company. Since this is an alternative that is likely to require the company to change its programming strategy, a fee of \$15 million would be required.

### b) Broad-Based Marketing Alternative

As compared to the aforementioned alternative on segmentation, the broad-based marketing option is likely to offer more than \$40 million more than \$100 million net income in the segmentation alternative (Stahl, 2007).

Contrary to the segmentation alternative given above, the broad-based marketing alternative does not require high expenses that have been used in program implementation in fashionista segmentation. The advantage with this is that this alternative is likely to target most of the women who are aged between 18-34 years of age at a 100% rate in all the clusters.

One disadvantage with this alternative can be identified in page 4 of this

case scenario. As Stahl, argues in the article, the broad-based marketing alternative is likely to lead to an increase in the net income as compared to that which is in the 2007 base outline. In addition to this, it is most obvious that the CPM will be lower than the initial CPM. The decrease is likely to occur because the target audience for TFC is not likely to provide enough ratings to maintain the required CPM (Stahl, 2007). In addition, the company is not likely to target the intended audience because it is likely to run the risk of competitors defeating it in its premium ratings, thereby leading to a decrease in the CPM revenue. Hence, there would be no difference noted in the Fashion Channel's positioning of its programs, before it is implemented or after.

### Recommendations

Since the company faces so many challenges when coming up with a new marketing plan, it would be recommended for the firm to have a backup plan in the event that things do not work as intended. It would be recommended for TFC to make an analysis of the customers who are loyal to the program and ensure that the programs remain when the new marketing plan is implemented. It is a difficult challenge for the firm to keep its consumers, while at the same time trying to attract other segments of female shoppers. Hence, having conducted an analysis of customers, the company has a backup plan.

The other recommendation is that the management team should look for other ways to make an improvement on interest of consumers and the value of its programs. The other competitors are able come up with programs that are successful; therefore, TFC has no choice but to continue improving the

level of awareness.

#### Reference

Stahl, W. (2007). The fashion channel. Harvard Business School, 2-12.