

Shanghai tang essay sample

[Literature](#), [Russian Literature](#)



Shanghai Tang offers a unique women and men's fashion. Discover a new elegance, from clothing to accessories and home decoration. It was founded in 1994 by Hong Kong businessman David Tang. The brand's global expansion and positioning as the first Chinese luxury lifestyle brand. David Tang has over 17 years' experience in the luxury goods sector. He was graduated at l'Ecole Superieure de Commerce de Nantes Atlantique, France. As a lifestyle concept, it was extremely daring and colourful.

According to Luxury insider (2011), David envisioned Shanghai Tang to be the place that tourists would flock to whenever they come to Hong Kong, but it would not work as a brand globally. Moreover, it had to inject an element of wearability and modernity into their collections. According to eTeacherChinese (2013), the Shanghai Tang specialized in distinctive Chinese style clothes to satisfy the eager of seeking a cultural identity before Hong Kong's return to China, and thus found its instant success.

After 1995, branches were opened in New York, London and the larger Asian cities. In places outside of Hong Kong, Shanghai Tang was viewed as an exotic shopping destination for authentic Chinese styles. In 1999, Shanghai Tang had to close its 1, 000 square meter New York store and move to a place half the size. This fashion critic claimed the Chinese style has competitive edge to western style due to their distinctive design but it needs to adapt to customer lifestyle trends in order to be successful.

In addition, the positioning of Shanghai Tang is a ready to wear brand luxury, glamorous and Chinese. Moreover, the brand has been established in Hong Kong by David Tang and he has a very smart strategy by named his business

Shanghai Tang because the name of the city gave an image of luxury in the minds of Chinese customers and they can also identify their country not a French or Italian. While, luxury cities are concerned, Paris is for France that Shanghai is for China (Olivier 2013). Their production use old China materials with carefully picked fabrics and natural tissues.

Moreover, silk clothes are the most popular selling clothes in Shanghai Tang fashion. The colours are also sensual and dynamic. Almost of the clothes in Shanghai Tang was describe the lights of Shanghai, Beijing history and the luxury of emerging cities, and also the beautiful mix of cloths which succeed to lead Shanghai Tang among the largest brands in the luxury market. In first few year (from 1994), David Tang flamboyant, cross-cultural style and ties to celebrities fuelled the buzz surrounding the brand.

However, the brand was unable to establish it is core customer outside, and it is home market of Hong Kong and the company struggled to find a niche among successful, established global luxury brand. Under new leadership and revised creative direction, Shanghai Tang expanded into several regional markets worldwide and it is focus in Asia (Park ; Yim 2007). Shanghai Tang was operated store around the world, such as, Asia, America, Europe and Middle East. However, most of the store was opened in Asia, because most of the cloths in Shanghai Tang were designed for Chinese customer.

Therefore, David Tang should establish a new pathway of fashion that suitable for everyone. According to Dan (2006), David Tang say's that the Madison Avenue's store's (Midtown East- New York) is up 50% in 2005 and it grew 40% last year, mostly in Asia, home to 70% of its stores. Moreover,

David Tang has planned to roll out additional United States shops. The business tries to expand into a global business in international and the global supply chain to luxury goods for the customer. The cloths should impressed by the quality and style of the merchandise to the customer.

The global market of Shanghai Tang for this exuberant and increasingly entrepreneurial nation, it would be a natural evolution and a stunning one, as China enters the modern economic market. Shanghai Tang want to become a center of design and innovation capable of fielding product that can compete in quality, style and prestige with anything from Paris, Milan or New York. Shanghai Tang offer women's, men's and children's cloths, home-wares, fragrances and accessories, including bags, scarves and travel items.

Therefore, Shanghai Tang is seeking to expand it is travel retail presence with standalone store in major airports. David Tang has strategy to plan for Shanghai Tang in the futures and the main key is the traveller customer. This is an advantage for Shanghai Tang to strike into the global market of worldwide (Pittilla 2006). Shanghai Tang currently has 15 boutiques globally and flagship locations in Shanghai, New York, Paris, London, Hong Kong and Singapore. The company started in the travel retail channel two-and-a-half years ago with a standalone boutique at Hong Kong International Airport.

In two years' time the company is likely to have a retail presence in both the domestic and travel retail markets in Europe and there are flagship domestic boutiques in Paris, London and Zurich. In the Americas the company has boutiques in Honolulu, Hawaii and on Madison Avenue, New York. Further openings are part of the future strategy, though United States travel retail is

not and also the Middle East is another target. Shanghai Tang operated another downtown shop in Dubai in 2006. According to Behal (2013), Shanghai Tang as a custom-tailoring business and soon expanded to readymade garments.

The brand grew to 43 outlets across the world. In 2005, Shanghai Tang reported that worldwide sales had grown 43% in that year alone, largely due to Asia sales. Moreover, David Tang sold his remaining 60% share in the company to Richemont in 2006. While, the number of physical storefronts has slightly dwindled to 40 operating globally as of the end of 2012, from 43% in 2005 and Richemont's home markets of France and Switzerland continue to have no store presence at all. However, the brand of Shanghai Tang just target on Chinese customer, so this is a disadvantage for Shanghai Tang to strike into the international market.

They designed their clothes based on Chinese fashion's trend. In addition, most of the events and public events to introduce new collection were opened in Hong Kong, so the company did not give any opportunity for the international customer to get first sight experiences of their product. Moreover, the number of store of Shanghai Tang in Asia is 90% of total 100% in international. This is the most important key for Shanghai Tang fashion cannot have a chance to attract international customer in differences country in the world.

Therefore, they cannot make more profit and income from international customer in worldwide and also they cannot become one of the most famous brands around in worldwide. According to StudyMode (2011), Shanghai Tang

is the first global Chinese Luxury Brand; a luxury good is defined in economics as a good whose demand increases more than proportionally as income rises, income elasticity of demand of every customer in China, such as, Beijing, Hong Kong and Macau. Shanghai Tang is a brand that is trying to transform itself into a luxury brand from its modest beginnings.

Shanghai Tang has taken steps to try and transform its image from that of a Chinese Emporium into a worldwide luxury brand but has had unsatisfactory early. As the result, the company should have strategy planning for the business to make more profit and income from customer around the world. They should have international strategy such as selling goods or services outside its domestic markets. One of the main reasons to implement an international strategy is that it yields potential new opportunities for the customer and employee. They should increase the market size with higher potential returns.

Moreover, they should motivate their business for worldwide to know and curious about the product, such as, advertise on international television channel, billboard, radio in other countries. According to MGT 302 Study Guide (2013), if the business wants to expand into the international, they should have strategy for the business, such as, international diversification, motivation, increase the market sizes, return on investment, economies of scales and advantage location for the business. David Tang should discover an innovation of some sort in his country.

Demand for the product then develops and spreads to other countries.

Moreover, the product should satisfy every target in international, such as,

men, women and children. They should achieve their needs and wants. After that, the company will expand a product's life cycle to know the strategy of the business. When successful operated in worldwide, Shanghai Tang can derive four basic benefits from the use of international strategies, for example, increased market sizes, greater returns on major capital investment, greater economies of scale, scope or learning and a competitive advantage through location.

Furthermore, the product should appeal to customers, who are not Chinese, they should large expand community and thriving international tourist shopping center. It will make Shanghai Tang successful in foreign market. In addition, Shanghai Tang should contribute and concentrate on the product to achieve the key to enter to the international market. However, currently the strategy of Shanghai Tang does not achieve the key to enter the worldwide market, because most of the product was design by Chinese traditional.

Therefore, David Tang the manager of Shanghai Tang should have new ideas to design the product to satisfy and suitable for the customer around the world. For example, Shanghai Tang can mixed the design of the product between China and foreign. They can introduce more arrival collection to foreign by the way David Tang design is suitable with the foreigner.

Therefore, this can be a reason for Shanghai Tang strategy is not suitable to allow it to expand further into other countries.

According to Hays (1999), a fashion mistake on Madison Avenue, humbling end for Shanghai Tang and it is gaudy take on Chinese style. Shanghai Tang was closed in Madison Avenue after 19 months in business because the

picture windows on Shanghai Tang's were displays of silk jacket Chinese. It was effects into the customer who are not Chinese because they feel not suitable for everyone and the way they design so traditional. They should planning the strategy before they operated, such as, who they want to target on the product, which way design and suitable for the customer in modern life.

They can create a tour around the world to introduce their product with the customer, it more effect on the customer. To sum up, Shanghai Tang should research the location before they operate because this is an important key to success the company, and also the Shanghai Tang should satisfy their demand. While, new facilities, new marketing on the customer and attract advertise will held Shanghai Tang can achieve the key to success and can going to worldwide easier.

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