

# [True religion jeans brand](https://assignbuster.com/true-religion-jeans-brand/)

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Task “ True Religion jeans brand” Is the premium jeans industry an attractive market? Develop an understanding of the industry structure and market dynamics.
The premium jeans industry forms an attractive market despite harsh factors such as the recession, which threatened the premium industry. The approximate cost of a premium jeans ranged from$200 and above, this cost is relatively higher and the consumers did not have available cash, consequently a decline in the market. It is realizable that, a combination of increased price of the rough material and the change in the market structure contributed to the intense competition between the premium denim dealers. The market structure of the premium jeans is well built on the superiority of the brand and this increased the number of customers. With the high sales volume and increased profits, this industry remains attractive in the market. The transformation of the market structure through the change of numerous denim labels into diverse lifestyle brands has facilitated increased rate of growth and survival within the market segment. The existing increased potential for sales is immensely attributed to the lifestyles brands, development of brand premiums and safeguarding product cycle downturns. These factors define the market structure as superior and stable.
Does True Religion enjoy a competitive advantage in the segment? If so, is its advantage sustainable? Discuss the sources of competitive advantage and use the VRIO framework to evaluate True Religion and its major competitors
Yes, True Religion enjoys a competitive advantage in the market segment it occupies. The advantage is sustainable because of the three segments operates independent of each other with different market sub-segments. For instance, the U. S wholesale Segment sells the premium products to leading countrywide retailer outlets; the international segment distributes the products across the international outlet and the consumer direct segment serves the consumers directly through branded retail stores and e-business sales. The sources of competitive advantage include use of technology in enhancing sales and marketing service.
The internet and web ads are used to promote the products to the well-heeled, fashion cognisant consumers. On the same regard, the True Religion Jeans takes advantage of the opportunity to create brand value over its competitors. Consider the following VRIO framework.
Applying the VRIO Framework
The a firm’s resources are;
The firm expect
Valuable but not rare
Competitive parity (equality)
Applying the VRIO framework, integrating the notion of Inimitability
Valuable, rare and costly to imitate
Sustained competitive advantage (if well organized)
Stiff and protected Competitive implications
Economic implications
Parity
Normal
Work cited
The True Religion case study