

Good example of case study on shift the focus

[Business](#), [Company](#)



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Introduction

Over the years, Benetton Group has successfully operated in the fashion industry with its effective supply chain strategy but currently, things are quickly changing for the Benetton as competition is becoming fierce with competitors such as Inditex and H&M, pushing hard for the market share. Moreover, the global spending in the fashion sector in Europe is also a concern for the Benetton as it needs to now explore new lucrative markets for its products.

Benetton needs to reorganize its activities as the current strategy is not working for the group. In this situation, the company must devise a substantial strategy to retain its market share. I recommend that the company should focus on redesigning its vertical integration to a new degree. The dependence on the third party and decision of outsourcing

everything should be revised as it does not seem to work for the company. Benetton Group should also refocus on the core business as the group has deviated from the core business mission and direction. The Benetton Group needs to give its partial or entire focus on its core activities such as apparel, selling Playlife and Killer Loop. Moreover, the Group needs to shift its investment from some of the auxiliary activities to the major business activities as capital is not scarce for the Benetton Group, but time and expertise are the major problem area. Auxiliary activities such as rearing of sheep should be given to the subcontractors, however, the number of subcontractors should be kept minimum. This is to make sure that the company has a better control over the sub-contractors and also has the capability to keep the matter simple as lesser number of subcontractors makes it easier for the company to have a better control. One more thing that the company should pay attention is to part off the production facilities, to lower cost regions, to be more agile when serving the Non-European markets. Proximity of the production area to the market will be beneficial for the company in order to save cost and timely delivery would be possible as well.

Forward Integration

Forward vertical integration seems to be a better option for the Benetton group at the moment as it would allow the company to improve the relationships with customer as direct contact with them will give better and valuable insight into customer preferences. This way, company would be able to respond to the demand of the customers more quickly. Size of the shops could be increased to stock more variety as fashion consumers always

want variety in apparel and accessories. More flagship stores could help company in building the brand image.

Revised Advertisements

The advertisements by Benetton are political and could not maintain brand image, so advertisements should focus more on clothes and other fashion products. Its competitor, H&M, use stars and super models in its advertisement to build a strong brand image. In this way, better marketing and brand management should be developed to help company in retaining its market share.

Conclusion

Recapturing of the spirit has to be the priority as Benetton is losing its brand image quickly and the only way to recapture the spirit is to go back to the traditional values. This includes shifting the company focus to its core business mission and vision. The company also needs to revise its advertisements and marketing strategy overall. Investing in new markets will further help the group to gain back its market share.

Works Cited

Thompson, Craig J., Aric Rindfleisch, and Zeynep Arsel. " Emotional branding and the strategic value of the doppelgänger brand image." *Journal of Marketing* 70. 1 (2006): 50-64.