

# Urban outfitters continuing case study: marketing a business flashcard



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BUSTER**

Explain why Sears or Walmart cannot effectively create a trendy counterculture image A trendy, counterculture image is one that would be described as a hip, young and unique style. The key factors of this particular style are creating an uncommon, novel or exclusive appearance. Exclusivity can only be attained if products sold are small in quantity, creating a higher demand. Stores such as Sears and Walmart have a marketing strategy to sell high volume at low prices. Big box stores cater to the masses.

When visiting these department stores, there are large quantities of the same item available. In addition, the same line of items can be found in most stores across the nation. Their target markets are to an older, more loyal customer base that are attracted to bargains, not to the young and hip trying to create a fashion statement. In buying in volume, Sears and Walmart can sell its products for less. Selling high quantities is how these stores create profitability. The Sears and Walmart brand names are synonymous with value, and certainly do not evoke images of trendy fashion.

Both Sears and Walmart have completely opposite marketing strategies and target markets compared to Urban Outfitters and could never achieve, nor afford to create a trendy, counterculture image. Could the big box stores sell merchandise identical to Urban Outfitters? Sears and Walmart could never sell merchandise identical to Urban Outfitters. The marketing style of big box stores buying high volumes and selling at low prices is completely opposite the marketing style of Urban Outfitters.

Urban Outfitter sells to a niche market in target locations. They have few quantities available of any given product, lending itself to exclusivity.

Department stores have huge distribution channels with many outlets throughout the country. Even if Walmart wanted to come up with an exclusive line, the branding connecting the product to Walmart would prevent the item from ever gaining the image of being trendy or unique. Knowing your neighbor or friends could easily purchase the same item would completely offset any exclusivity.

Frankly, the Urban Outfitters wholesalers probably would not even be able to sell to big box stores. They would not have the items available in mass production nor at a low enough price point for big box stores to afford to purchase from similar wholesalers. Big box stores could never sell the same items as Urban Outfitters. Identify at least three reasons why exclusivity is valuable As a marketing strategy, exclusivity is incredibly powerful because it plays to our psychology. Marketing is more about human psychology than pure economics.

Exclusivity and scarcity play to our hard-wired desire to belong (exclusivity) and loss (scarcity) in a powerful way (Stoll, 2010). If I feel that availability is limited in purchasing a particular item, I would be more willing to purchase it at higher price, rather than watch for a sale. I may also attach a perceived higher value knowing quantity and availability are limited, justifying the higher price point. Ferrari is a fine example of an exclusive product. The inventory is very limited, the price point is extremely high and the products value appreciates.

Only a select few can pay the premium, putting those into an elite club.

Retailers benefit in many ways using this strategy. They can gain more

profits utilizing niche exclusivity marketing strategies by keeping their inventories smaller and limiting their distribution channels; and because consumers will always pay a higher premium for an exclusive product, companies can capitalize on higher profit margins on sales, as well. Senk says that shopping is largely entertainment. Do you agree or disagree with him?

Shopping is absolutely largely entertainment. The shopping experience is supposed to wake the senses with its sights and sounds. Bold colors, eye catching displays and lively music all play into evoking emotion within a consumer, creating bonding experience to the product. Addidas is taking shopping entertainment to new levels. With their Mi Innovation center it takes just a few steps walking and running on a catwalk-style scanner and foot and pressure sensors analyze shape, size and pressure points.

Customers enter details like color and accents on a large touch screen. An interactive “ virtual mirror”, allows the user to try on their personalized shoe (or any other shoe) without taking off their own. And last but not least, the new scan table picks up RFID technology embedded in the shoes to display specific product information (Yu, 2007). Shopping for shoes will never be the same. This “ shoppertainment” trend is expanding and retailers are cashing in on providing a creative way to get consumers to buy.

The emotional connection keeps them spending even more time and money. The unique experience lends itself word-of-mouth advertising and repeat customers. One of my favorite childhood memories is of Showplace Ice Cream Parlor in Beach Haven, NJ. The wait staff comes around with a

microphone and has the patrons sing songs about their specialty ice-cream sundaes. Showplace has special names for their delights such as the Phantom of the Opera and Annie sundaes.

Try singing opera with a mouth full of hot fudge! It will be a unique experience one will never forget, especially if your performance makes it to YouTube. The line outside the building is testament to their successful and unique marketing style. Add entertainment and the high priced treats are worth the extra pinch in the pocketbook. Dairy Queen beware! Give me an experience that I will never forget and I will be your loyal customer forever.. and share my story all my friends, too.