

The harris tweed authority marketing essay

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Unit-7

The Harris Tweed Authority

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Executive Summary

The present paper deals with Harris Tweed and Harris Tweed Authority.

Harris Tweed is the irrefutable market leader in the English tweed market. It is a cloth that has been manufactured by local crofters in the Outer Hebrides (Isles of Harris, Lewis, Barra, Benbecula, and the Uists) for centuries. One main factor that sets Harris Tweed apart from all other competitors is that it is the first and the only cloth in the world that is protected by an Act of Parliament (Harris Tweed Act of 1993). The Act ensures that only that cloth which has been made from wool collected locally, spun locally, dyed locally, and weaved locally using traditional methods and equipment by the inhabitants of the Outer Hebrides and which conforms to the high standards of quality expected from Harris Tweed would bear the world-famous trademark (orb/Maltese cross pictogram) of the cloth. The Harris Tweed Authority is a legal body that came into being in 1993 following the enactment of the Harris Tweed Act of the same year. It consists of three main companies— Harris Tweed Hebrides, Harris Tweed Textiles, and Harris Tweed Scotland—that in turn represent hundreds of individual crofters all producing a small amount of cloth in their homes. The Authority is charged with overseeing the collective operations of the crofters and with creating a viable global market for Harris Tweed. Harris Tweed has always enjoyed the

status of a market leader in the tweed industry; however, this success has more to do with the undeniable superior quality of the cloth rather than any aggressive efforts by the Authority. This indifference to modern strategic marketing management almost brought the Authority and the Tweed to the brink of collapse some five to six years back. The Tweed, however, was miraculously saved and made a magnificent (though unexpected) come back in more recent years thanks to the global fashion industry's new-found romance with the cloth. Harris Tweed has few competitors, and all of them have failed to match the brand image and the perceived value proposition offered by Harris Tweed. However, it will be difficult for Harris Tweed to maintain this 'market leader by default' position in the future if effective and efficient strategic marketing practices are not incorporated into the culture of the Harris Tweed Authority. The present paper lays down the short-term and long-term strategies that Harris Tweed Authority should employ to remain on the high sartorial pedestal it has enjoyed since ever.

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Background & Introduction

The towering Big Ben, the ubiquitous Routemaster, the perfect cup of tea, and even the fictional escapades of the much-loved Sherlock Holmes are all popular cultural icons that instantly bring the United Kingdom to mind to

anyone living anywhere in the world. However, there are other much subtler—though no less British—things that only the aesthetically inclined and the culturally groomed members of the global community readily perceive as British. Tweed tops the list of such items. Tweed is unfinished woolen fabric which has quite a rough handle to it—it is usually quite rough to the touch. The finished cloth can either be plain, have twill weave, support different patterns (such as the easily recognizable Herringbone pattern), or can carry various checks and tartans (such as the very famous Prince of Wales check and the Black Watch tartan). No one remembers the exact beginnings of tweed; all that can be said about it is that this intricate cloth has been produced by different pockets of people in the United Kingdom and Ireland since ever. Warmth, water resistance, and durability are the key characteristics of tweed that conventionally make it the perfect choice for informal outerwear for leisurely upper-class pursuits such as hunting, shooting, etc. But—as is true for anything else one can think of—not all tweeds are created equal. There exists one particular brand of tweed that can easily be termed as the king of them all and it's simply known as—Wait! Drum rolls please!—Harris Tweed. Rather than dealing with a particular company, the present paper takes an unbeaten path and deals with a particular brand that happens to be the unequivocal market leader in the English tweed market. In order to do so, the present paper will also be dealing with Harris Tweed Authority which is a statutory body founded to further the Harris Tweed industry. But first thing is first—what exactly is Harris Tweed? The best and most precise definition is provided by nothing less than a British Act of Parliament—known as the Harris Tweed Act of 1993.

According to the 1993 Harris Tweed Act (: xi), Harris Tweed is defined as tweed that has been: "...handwoven by the islanders in their homes in the Outer Hebrides, finished in the Outer Hebrides, and made from pure virgin wool dyed and spun in the Outer Hebrides..." Yes, it does sound like a bit of French in an English Act of Parliament! Therefore, allow the writer of the present paper to elucidate this definition further. Harris Tweed, also called Clò Mór (Gaelic for 'The Big Cloth') by the locals, has been woven using local wool by the islanders on the Outer Hebrides—Isles of Harris, Lewis, Barra, Benbecula, and the Uists—since time immemorial. The cloth has always been exclusively hand-spun and hand-dyed on the Isles using traditional processes and equipment. Even though the rest of cloth-producing Scotland turned to the more sophisticated and commercially viable modern production processes during and after the Industrial Revolution, the Outer Hebrides retained their traditional ways. Till the middle of the nineteenth century the cloth was produced for little more than home use or for the local market. However, in 1843, Lady Catherine Herbert, wife of Alexander 6th Earl of Dunmore, was the first person to notice the immense potential demand and marketability of the cloth. Taking off at a commercial tangent from this point, Harris Tweed quickly became the fabric of choice for the aristocracy and the landed gentry reaching a peak production figure of 7.6 million yards in 1966. The Tweed has seen many ups and downs and highs and lows since then. The beginning of the present century even witnessed alarms blown to buy the cloth before the production was permanently discontinued due to low demand. However, recent decades have seen an upsurge in the demand

that can be termed nothing less than miraculous. The rest of this paper deals with how this miracle came about.

PART-A (1).

Describe the company's background and explain how the strategic position of the company is linked to its marketing activities (in particular to its product and/or services and its current market share).

Taking up the Harris Tweed story from where we left it in the introduction, as the commercial viability and the demand for the cloth grew steadily, it became evident to the producers and weavers of Harris Tweed—hundreds of small local crofters, each producing a small amount of cloth at home, and located on various small islands in the Outer Hebrides, thus separated from each other geographically—that a single commercial body or company has to be formed to overlook and coordinate their production activities and to effectively and efficiently market and sell the produce. Thus, the Harris Tweed Association Limited came into being in 1909. The first thing the company did after its formation was to register its trademark—an orb surmounted by a Maltese cross. Whether the creators of the trademark realized at the time or not, this orb/Maltese cross pictogram was destined to become the biggest strategic positioning tool for Harris Tweed for all times to come, but more about that in a bit. The afore-mentioned company was a private firm and, by late 1970s, it became quite evident that such a company just did not have the powers that were needed to completely safeguard the interests of the producers of Harris Tweed and to launch the product effectively on a global scale. Thus, Harris Tweed Authority was formed by an

Act of Parliament in 1993—another stroke of luck that would strategically position Harris Tweed leaps and bounds ahead of the competition. In the 1993 Harris Tweed Act (: xi), the Authority was charged with: "...furthering the Harris Tweed industry as a means of livelihood for those who live in the Outer Hebrides by safeguarding the standard and reputation of, promoting awareness in all parts of the world of, and disseminating information about, material falling within the definition of Harris Tweed and articles made from it..." By the enactment of this Act and the coming into being of the Authority, Harris Tweed became the first and the only cloth in the world that is protected by an Act of Parliament—no other product or service in the world can enjoy a better unique selling point or a superior strategic positioning edge than this. Any tweed that carries the now world-famous orb/Maltese cross trademark is guaranteed to have been made by wool collected locally, spun locally, dyed locally, and weaved locally on traditional equipment using traditional methods by the crofters of the Outer Hebrides; and there is the force of law ensuring that the orb/Maltese cross symbol is never carried by anything less than that. Competitors, please try to match that!

PART-A (2).

Apply the strategic marketing tools to assess marketing environment and analyze the company's/company's product's position in the market using a positioning diagram.

In order to get a broad overview of the marketing environment in which Harris Tweed is operating, let us employ the 3Cs strategic model developed by Kenichi Ohmae (1991). According to this model, there are three main

areas a marketing strategist should focus upon in order to understand the general marketing environment and make appropriate decisions. The three key factors are as follows: The Customers. The Competitors. The Corporation.

1. The Customers:

There are various different segments of the society that buy and wear tweed for various different reasons. Identifying and elaborating on all of these segments would be beyond the scope of this short paper; therefore, only the most readily identifiable will be discussed here. The foremost users of tweed are well-educated, upper and upper-middle class, financially sound consumers that look for exclusivity and value in what they buy. These consumers would readily be willing to pay more if the product has a perceived value proposition outweighing the competition. Then come the socially active young professionals who have money to spend and are looking for ways to stand out from the crowd. These individuals are more concerned about flaunting the brand they use rather than the money spent on acquiring it. A third category of tweed buyers are the consumers who actually appreciate and buy tweed for its functionality; i. e. for its incomparable durability and warmth in outdoor activities.

2. The Competitors:

Tweed is produced the world over. However, it would be nothing less than folly to consider all tweed produced everywhere in direct competition with Harris Tweed—the difference in quality is not only verbal but is actually tangible. Luckily, there are not many tweed producers that can claim to be direct competitors of Harris Tweed. The main competitor is Donegal Tweed of

Ireland. A far second competition is offered by a combination of other small English tweed producers including names such as Porter & Harding, Harrisons of Edinburgh, Lovat Mill, Johnstons of Elgin, Glenhunt Homespun, Robert Noble, etc. (for convenience, we will refer to all of these as 'other English tweed'). However, none of these competitors can claim the clarity, consistency, credibility, and competitiveness that the orb/Maltese cross trademark is perceived to offer to the consumers.

3. The Corporation:

Internally, Harris Tweed Authority has a disadvantage as compared to its competitors. The main competitors are all single, private firms; they all have their operations located in one single place making it very easy and convenient for them to control their production processes and internal environments. On the other hand, Harris Tweed Authority is a legal body (comprising of three main producers: Harris Tweed Hebrides, Harris Tweed Textiles, and Harris Tweed Scotland) that acts on behalf of hundreds of small tweed producers that are spread over a large geographical area. This makes controlling the internal environment extremely difficult as crofters in different areas have different needs, face different problems, and are subject to varying climatic and social conditions. All of the afore-mentioned can be summarized in the following positioning diagram:

High Quality

Harris Tweed

Low Quality

Low Price

High Price

Donegal Tweed Other English Tweed Non-English Tweed

PART-A (3).

What segmentation strategies have been used by the company to target its market and identify any relationship marketing activity taken by the company linked to its target market?

" Market segmentation can be defined as the process of breaking down the total market for a product or service into distinct sub-groups or segments where each segment may conceivably represent a separate target market to be reached with a distinctive marketing mix." (Whalley 2010: 73) Harris Tweed has been marketed to the general public for well over fifteen decades now. During this immense span of time, different groups of people have been attracted to and have loyally subscribed to the brand; also, various other groups of loyal customers have moved away in other directions. In all these eras various appropriate and pertinent segmentation strategies have been employed by Harris Tweed, but let's restrict ourselves to the present day. As people have apparently moved away and toward the brand themselves, unfortunately, Harris Tweed Authority seems to have taken for granted the market segments that offer their loyalty to the brand. There is some effort by the Authority to try and identify and cater to the market segments that adhere to the brand, but the effort just cannot be termed as fully cognitive or even mildly aggressive. The Authority seems to be marketing to the entire

world and hoping for enough of it to buy their tweed. Following are the two segmentation variables that are given attention:

1. Psychographic Segmentation:

In its marketing message the Authority does appeal to the perceived notion that tweed has always been the cloth of choice for the socially and financially sound individuals. In this way, the lower social classes are also indirectly attracted as they perceive tweed to be a status symbol. Personality stereotypes are also consistently projected in promotional campaigns depicting tweed-wearers as authoritarian, ambitious, and successful members of the society.

2. Behavioral Segmentation:

This is an area that does receive its proper due. Harris Tweed is pretty aggressively marketed as the perfect cloth for outdoor activities. Men wearing tweed and indulging in all sorts of outdoor leisurely sport activities (usually associated with the upper and the upper-middle classes) are present in at least every seven out of ten promotional campaigns. Two very important segmentation areas are pretty much neglected. One is geographic segmentation and the other is demographic segmentation. For obvious reasons, it would be pretty much an exercise in futility to market tweed in equatorial regions. The Authority, however, seems to be more bent upon enhancing its global reach than increasing its market intelligently—a typical example would be expanding into India, a mostly hot country with nine months of summer. I guess the only logic behind this move is the perceived notion that India is an up and coming economy and no other factor is given

due consideration. Again, no real effort has been undertaken to carve out any sort of demographic segments. The message really is that we sell tweed and we don't really care what age, gender, income level, or occupation you belong to. The same sorry picture is encountered when one tries to analyze the Authority's relationship marketing activities—as there really isn't much here to write home about. The Harris Tweed Authority features a blog on its website that seems to be the only way of interacting with customers. The blog is highly sophisticated and literary—which means that it leaves a major chunk of the younger consumers dozing off after reading a couple of paragraphs. All in all, the market segmentation and relationship marketing are two areas that really need to be looked into and revamped.

PART-B (4).

Evaluate the company's marketing mix. What are its strengths and weaknesses? Use strategic management and marketing models to support your answer.

Kotler & Armstrong (1996) define marketing mix as: "The set of controllable tactical marketing tools—product, price, place, and promotion—that the firm blends to produce the response it wants in the target market." Let's take a look at these four elements for Harris Tweed separately.

1. Product:

The product quality of Harris Tweed is one thing which is truly matchless. The competition does come close to it, but matching the quality of Harris Tweed is something no one has achieved as yet. As far as product variety goes, when one combines the product variety offered by all the competitors, it does happen to be more than what Harris Tweed has to offer. However,

taken individually, Harris Tweed offers a far greater product variety (both in terms of cloth designs and cloth weights) than any of the competition—according to the Harris Tweed Authority website, it offers over 4000 pattern and colour combinations. The features and size-offerings of tweed remain pretty much the same regardless of the manufacturer, so there is no competitive edge here. If we combine packaging, services, warranties, and returns into one single unit, we would have to concede that the competitors are better here than Harris Tweed. Last, but not least, the brand name of Harris Tweed (as already explained) is again something that no one can even dream of matching in the near future.

2. Price:

Price consists of elements such as list price, discounts, allowances, payment period, and credit terms. Buying Harris Tweed does pinch one's pocket a bit, but the perceived value one gets for paying the extra bit completely justifies the price. The rest of the elements of price are pretty much common between Harris Tweed and its competition and no one seems to be at an advantage here.

3. Place:

Place is one area of major concern. Harris Tweed is basically sold to the consumer through third parties—whole sellers, retailers. The other option to buy the cloth would be for the consumer to visit the many hundred individual crofters. Harris Tweed Authority does not have its own outlet anywhere. This major disadvantage is somewhat mitigated by the surprising fact that all of

the competition is sailing in exactly the same boat. This is one glaring opportunity that Harris Tweed should look into before someone else does.

4. Promotion:

Promotion includes advertising, personal selling, sales promotion, and public relations. I would refrain from entering into this area for Harris Tweed in any detail lest the company gets embarrassed by what I write. Suffice it to say that this is one area that really needs attention. The strengths and weaknesses of the Authority can automatically be inferred from the above discussion and they are summarized below:

Strengths:

Matchless product quality. Matchless product variety. Matchless brand name. Quality and brand name are protected by an Act of Parliament that really adds a boost to the overall perceived value proposition.

Weaknesses:

Pricier than competitive products. Dependence on third parties for selling the product to the end consumer. A really poor record when it comes to promotional activities; taking the market demand for granted.

PART-B (5).

What marketing strategies should the company adopt to increase profit in the short term and the long term?

The answer to the present question flows naturally from the previous one. Let's look at the short-term and the long-term separately.

Marketing Strategies for the Short-Term:

One important thing that the Authority can start doing right away is improving its relationship marketing activities. The first thing that comes to the author's mind is creating and running a good swatch service. Expensive cloth is not something one would readily want to buy by looking at a picture over the internet. One wants to interact with the cloth, touch it, feel the weight of it, and see how the colours and hues sit next to the wearer. As there aren't any outlets where these activities can be carried out by the buyers, one has to rely on ordering swatches of the cloth before actually deciding to place an order for a certain length of it. Swatch services are being offered by the third parties that carry Harris Tweed. However, most of them are frightfully expensive and discourage ordering swatches. The Authority should either offer incentives for the third parties to make their swatch services less expensive or start a swatch service itself, pointing the consumer to the third party from whom the cloth can be ordered.

Marketing Strategies for the Long-Term:

The first and foremost long-term strategy that Harris Tweed should employ is really start looking into some excellent real estate investment; i. e. it should identify key areas/cities all over the world where the demand for its product is at (or greater than) a certain viable threshold level and start building its own outlets. This will have two major advantages. Firstly, none of the third parties that the Authority relies upon carries Harris Tweed exclusively; they all carry products from the competitors as well. This means that the third parties only have a limited space to carry certain product varieties from Harris Tweed and not the entire offering. Starting its own outlet would

dramatically increase the offerings on show for the Authority translating into higher sales and profits. Secondly, and most importantly, company-owned and exclusive outlet is a concept that blends perfectly with the market perception of the high-end product that Harris Tweed is. It can sometimes be perplexing for the general buyer, who has inculcated his/her shopping habits through buying expensive brands, to have to go to a third party to get what is looked upon as top quality. Again, the Authority really needs to think carefully about carving out a geographic segmentation plan. As mentioned above, it is pointless to ship your expensive product to a country/city where people are roaming in tees and shorts 75% of the year. There will always be sales, of course, but one has to see whether the sales achieved justify the expense borne on the distribution channels. Countries/cities with colder climatic conditions and with at least a fair percentage of the populace with enough buying power should carefully be chosen at targeted by the Authority.

PART-B (6).

Identify contemporary developments in its marketing environment and suggest ways to respond to environmental changes.

2006-7 saw the Harris Tweed fortunes at an all-time low. As expert crofters retired and were not replaced by enough fresh workers and as bad policy decisions were made by the Authority, the Harris Tweed romance seemed to be in terminal decline. But then something miraculous happened—the Harris Tweed products were dramatically repositioned without anyone in the Harris Tweed Authority ever having planned such a move. For anyone hopping from

aisle to aisle in a J. Crew store, surfing the virtual shelves of Top Man website, looking for the most happenin' ' hi-top' trainers, or following the fashion frolics of Doctor Who star Matt Smith and the rapper Tinie Tempah, tweed is to be found everywhere. Thanks to the modern fashion world's latest, though completely surprising, tryst with tweed, 2012 saw the biggest Harris Tweed run for the last fifteen years—more than a million metres. And the Harris Tweed Authority just has to jump on the opportunity. It's nice—even comforting—to keep on designing cloth that would go well with a cigar, a newspaper, and spectacles; however, it's high time the Authority starts realizing the new, young, immense, market developing and open a product line that would sit equally well with skate boards, multi-coloured wrist bands, and iPads. Again, it might not be enough to sit back and enjoy the attention given by some of the contemporary designers to tweed, it would suit the Authority well to make hay while the sun shines and aggressively approach other designers that have not come to tweed as yet and offer them cloth designs and weights that would be just too irresistible to refuse.

Conclusion

Harris Tweed is no ordinary cloth—it is the fruit of centuries of sartorial imagination and innovation of the English-speaking peoples inhabiting the Outer Hebrides of the United Kingdom; while the warp of the cloth is made from centuries of rock-solid tradition and down-to-earth functionality, the weft consists of an ever-changing palette of British modernism. It is a fabric that a society has created that itself has become the fabric of that society. And there would be no greater shame than for this cloth to be discontinued to be manufactured, exactly the situation the industry faced some five or six

years back. It is just not viable anymore to rely on markets to come to Harris Tweed, Harris Tweed needs to reach out to them now. Harris Tweed Authority—the body charged with the duty to ensure the afore-mentioned catastrophe never happens—has to pull up its socks and adopt modern strategic marketing approaches. Some suggestions are listed below: The Authority must employ modern market research tools to accurately identify all the various market segments it can cater to. It must then properly classify such segments and develop short-term as well as long-term strategic plans to tap into these market segments properly. Excessive focus on traditional markets has to lesson, and the Authority must re-engineer itself internally to give equal time and effort and resources to more modern and informal market segments now developing. Harris Tweed has always been the market leader in the tweed industry by default, the irony of the situation is that it must start acting like one now and go after the immense opportunities in the current market before the competition decides to do so.

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