

Hennes and mauritz ab essay



With years of development and acquisitions, the company is now improvised of five Independent brands: H&M, COOS, Moll, Cheap Monday, and Weekday (Hennas & Murals ABA, n. D.). 1 . The Porter's five forces of H Competition In the Industry Rivalry is high because there are a large number of similar retailers including both large and small firms. Furthermore, slow growth resulting from the 2008 recession has decreased the level of demand In the apparel industry Intensifying competition.

The rapid change In the Industry also leads to firms constantly H's mall competitors are: Ezra, owned by Inedited Corp.. ; PH Corp..

Including Calvin Klein, Ewing their product to appeal to fickle customer bases. Potential of New Entrants The threat of new entrants Is high. Entering the apparel Industry does not require a huge capital investments and many individuals have the means to start a clothing line. Because quality is a central topic for H&M and fashion for a low price, H&M shouldn't fear for being replaced by another company's products.

Power of Suppliers An increased globalization has originated international trade, thus more options for retailers to source from foreign manufacturers. H&M Buys its products from approximately 800 independent suppliers, primarily in Asia and Europe, In countries where the textile Industries offer considerable skill and experience.

Cooperation with suppliers is both a close and a long- term relationship.

Power of Buyers There is an overabundance of retailers in the market. This leads the buyers to switch easily from one brand to another.

The retailers seek to offer what the buyer's demand. H's own designers work together with pattern designers and buyers to create a broad range that offers inspiring fashion for everyone.

1 OFF There are not direct substitutes for apparel, but there are substitutes to retail because of the great quantity of suppliers). H&M increase their strengths by performing annual checks at the stores with the aim of determining the strengths and weaknesses of the stores and how any shortcomings can be corrected. . H&M Brand Positioning H&M ABA (originally known as Hennes and Mauritius) is one of the world's most famous producers of apparels and dresses for men and women.

The dresses from the house of H are conspicuous for the uniqueness of their designs and an appeal that is slightly off the beaten track. This company has dedicated online stores through which t serves fashion conscious and aesthetically inclined numerous men and women in US, UK and Europe with all the exquisitely designed apparel.

Possibly the main reason for the mind boggling popularity of H is its ability to cater to subtle differences in tastes and preferences that invariably occur as one traverses through the countries that dot the European mainland. H seems to have a finger on the pulse of each and every country culture and tastes of people and almost invariably seems to supply apparel that have been made as if to specifically suit that particular country tastes and preferences. This strategy of supplying only those clothes that would appeal to the citizens of a particular country or region has elevated H almost to the status of a myth in marketing.

Conception, 2008) H specializes in apparels and dresses that are moderately priced but made from fabrics of good quality and, most importantly, exclusively designed to perfectly satisfy the sartorial desires of the population of various countries and continents. H has become one of the largest retailers in Europe. It has reached this iconic status by targeting each member of the consumer group by primarily dividing them into convenient ripping as men, women, teenagers, children and future mothers and has exclusive offerings to satisfy each group.

H realizes that any promotion that does not take into account specialties of the region where the advertising campaign is being carried out is bound to have little effect on the population that is being targeted by the advertising campaign.

So, H conjures up unique campaigns that seamlessly merge with the local flavor without losing out on the essence and personality of the corporate image of H that strongly sends out a message of customer satisfaction at minimum expense. (Roberts, 2004) 3. H Key Success Factors Product Line H is classified as a brand that offers homogeneous shopping products.

This means that their consumers purchase their products at H because of its pricing and features. Many consumers that shop at H get attracted to purchase several items they didn't plan to get. The reason to that is the convenience of having all departments in one retail store, which gives H&M a large Product mix width.

Every department H&M offers has various product lines to be able to attract as wide demographically as possible. Their product portfolio includes

women's wear, men's wear, children's wear, footwear, Price & Quality The basic idea of H is to offer fashion and quality at the best price.

To give their costumers the latest fashion. H has their own design and buying department, where they read fashion trends, and create their own clothing lines that are approachable for everyone. To keep the prices at its best, H is conscious of the cost at every stage. They make sure they have a wide knowledge of design and materials.

This helps them buy good quality products of larger volume in the right market. The price is double a normal H product, but it is extremely well done, and stands out tremendously from the normal collections. Technology H has always something new coming up.

But by being a clothing brand H doesn't have to focus on the innovation of a whole new product.

Innovation is not as important as for a company as Apple where technology is advancing very quickly. So H&M's focus is on staying on top of the fashion trends, and collaborate with new materials but on the same time try to make their clothing as echo-friendly as possible. With the focus on being an engaged environment friendly company H started a collection called "Conscious collection" where all clothing are either recycled material r organic cotton.

Distribution The sale promotion in United States and in H home country Sweden is made in two different ways. While H sales only are done in retail

stores in the US, they have their sales in Sweden divided between online, catalog and retail stores.

So sale promotions have to be handled differently. Here, H is not as focused on service and personal selling as in Sweden, and the reason to its great success is mostly because of its business concept to offer the latest trends of great quality to the best price, not to charm the costumers with excellent service.