

Case study group alpha

Business



Questions presented in the case in the section of “ Making the Decision” as follow (4): 1- What is the potential competitive reaction? The USA market is a highly competitive market as shown in the case study, the US retail sales of women’s apparel in 2007 reached 133\$ billion, accordingly many existing brands and with the launch of the new active wear line from Harrington, the brand will compete both for market share as well as shelf space in retail stores nationwide, this will terrify the competition. The competitors will react by integrating both vertically, as well as horizontally to kill the relative new entrant Harrington in the active-wear pieces sub segment.

The vertical integration of the competition will result in price based strategy competition, and also maybe a higher markups for the distribution channels that can eliminate the distribution of Harrington, and the rational based integration will result as a fewer shelf space areas, and limited distribution to our stores only which could result the forecasted sales could drop.

Harrington has a competitive edge over the competition in their stores have specialized staff and well-equipped teams that can efficiently handle all customer queries, along with a cutting edge technology to track inventory and sales information, which allowed the manufacturing group to quickly react to the market demands and improve productivity leading to shorten the manufacturing cycles. - Will both department and specialty stores enthusiastically support this new product line? The department and specialty stores will enthusiastically support this new product line as it is produced by Harrington which support the distribution channels by following tools and support: a) Maintaining a major budget for marketing channels : department and specialty stores among others channels) b) Excellent relationship Ninth

retail partners, as they considered them as their special partners not just a place to distribute to but a partner in business cycle.

This allowed by valuable Inventory and sales advice offered to the retailers offered by Harrington c) Usage of push marketing strategy that will assist in launching the new active wear category, Inch will lead to greater success in launching volumes of new active wear category. D) Associating with one brand of Harrington which is Vigor brand and will ensure that sales are being done by the channel partners because of their trust Vigor brand and its equity to consumers.) Active wear customers have shown their preference for buying in specialty stores; the current distribution channel of Vigor of Harrington Collection will give the push to Active wear category with its 50 exclusive specialty store network. F) Reliable deliveries that retailers also encounter help in selling the merchandise.

G) Credibility that comes with Harrington brand will attract newer Channel partners to be part of the network of Harrington collections. 3- Can active-wear be folded into the existing Vigor division or should a brand new division be created?

Active- wear should be folded into the existing vigor division for the following reasons: a) Harrington Collection is a company and specially the Vigor division is with cascades of expertise that has an excellent relationship with its retail trade and their knowledge of consumer behavior is high. B) The company used surveys and focus groups revealing that their target customers showed interest in buying active-wear clothing, which can be linked to the Vigor brand easier and more relevant than other brands inside

the company and cheaper in terms of promotion in order to not aware consumers off new brand and start building equity from scratch.) The new product line of active-wear should be folded into the Vigor division, so that it can infinite from the already existing infrastructure and sales channels. D) The active- Near line would be a perfect addition to the Vigor division because it also focused on better' wear plus fewer than 2% of respondents in their customer research survey felt that a less-expensive active-wear line would cheapen the brand.

E) From the consumer behavior analysis, Harrington Collection has a lot more to gain from introducing the active-wear line for example the aging baby boomer population want clothes that doesn't make them feel old.) Active-wear would be a perfect addition to he Vigor division. Vigor styles were less traditional than the other Harrington divisions. Although the division currently focused on career wear, it emphasized comfort and fashion. G) Another survey showed that 10% of customers purchasing apparel in the \$100 - \$200 price range would buy an active-wear set if they could get one with superior styling, fabric and fit, which is what Harrington Collection was Intending to manufacture and sell.

) The introduction of a new product by a fashion company as Harrington is able to change the way some consumers view the other established active-wear brands. Harrington quality and styling might draw attention to some quality which was not previously much regarded by consumers in this category. Additional support should be given to succeed under the Vigor division by the following models: a) Product introduction model: Harrington

Collection is about to introduce a new product line is supported by three factors related to the behavior of consumers to the Vigor division: I.

Loyalty: The focus groups by Harrington Collection showed that several Harrington customers, who and been loyal, were interested in meeting fresh and comfortable that would fit their active lifestyles. It.

Sociology: Irish factor was heightened by the popularity of active-wear among Hollywood celebrities. Harrington Collection estimated that over seven and a half million active- Near units were sold in 2007 with the projection that this would grow to 15 million by 2009.

Moreover by 2009 it was expected that 40% of the 15 million buyers would prefer the ' better' category which is what Harrington Vigor division specialized in. Iii. Psychology: Most firms would use advertising to influence consumer psychology. Harrington was known for its top in-house design staff, national advertising campaigns and its exceptional quality and styling.

B) Marketing mix model: If Harrington Collection decides to add an active-wear product line to its existing business then they would have to consider the marketing mix tool as follow: I.

Product: That is the active-wear itself, its quality level, product lines and branding. It. Pricing: Should consider that the target market is price sensitive and there are other large competitors such as Liz Collarbone's Juicy Couture. Iii. Promotion: The required Edie, sales promotion and publicity.

' v. Distribution: through the Vigor model. Z) Product concept model: process of a new product (the active-wear apparel) into any market requires the <https://assignbuster.com/case-study-group-alpha/>

ability to coordinate the work of several teams within the firm, as well as with the extended network of partners and suppliers.