

Summary ten years.  
this organization  
focuses on



## Summary of the main findings

Such company as SuperGroup specializes in retailing of youth fashion clothes; at the moment it comprises the following brands: SurfCo California, 77Breed, and Superdry (SuperGroup, unpagged).

The management of this firm strives to achieve the following strategic objectives: 1) to increase the number of standalone stores in the United Kingdom; 2) to broaden the variety of the products; 3) to develop new methods of distribution, in particular, the management wants to make online offerings; 4) to enter new markets, namely, the Far and Middle East (Regulatory News Service, unpagged). The management does not set the exact timelines for achieving these objectives, yet, we can suppose that these policies will be implemented within the next five or ten years. This organization focuses on a few target markets, mostly young people of both sexes, whose age ranges from fifteen to twenty five (Supergroup, 14). During the last five years, SuperGroup has become one of the most popular brands in the United Kingdom; in part, it can be explained by successful advertising strategies. The major competitors of this enterprise are Primark, Mexx, and S'Oliver; these companies are particularly dangerous to SuperGroup, because they also target adolescents and young adults (Grant, unpagged). In fact, SuperGroup has already had legal dispute with Primark due to copyright infringement (Grant, unpagged). Yet, SuperGroup has several strengths, allowing them to get complete advantage over other firms: 1) increasing popularity of the brands, 2) the broad range of their products that includes jeans, sweaters, T-shirts, polo shirts and so forth; 3) efficient operations (Regulatory News Service, unpagged). We can add to this list such

competencies as experience in the field, excellent knowledge of a specific target audience, and already-established reputation at least in the UK.

These are the qualities that would help the company in the future. Judging from PESTLE analysis, we can conclude that the company may be influenced by several factors. First, we need to mention economic and political changes in Turkey, China and Peru because the majority of their suppliers are located in these countries (Regulatory News Service, unpagged). This dependence on foreign suppliers exposes the company to such threats as fluctuations of foreign currencies or even oil prices. Secondly, we need to speak about the ever-changing social lifestyles of adolescents and adults: one has to remember that fashion trends constantly evolve and any change in such trends would force the company to produce new articles of clothes and even to disrupt their manufacturing process because some of their brands may no longer enjoy any demand among the customers. When speaking about economic factors, one has to bear in mind that fashion industry is one of those areas, where buyers' power is very strong.

This can be explained by a great number of players in the market and intense competition among them. These are the key issues that the management of SuperGroup should take into consideration.

### **Analysis of internal and external environment of the company**

The first thing that we need to discuss is the target audience of SuperGroup. As it has been mentioned before, these are people, who belong to a narrow age group (15-25 years). Many of these people share a common property;

they are financially dependent on their parents and very often they cannot make purchasing decisions on their own. We cannot prove accurate statistical data, but it is quite possible for us to argue that the majority of SuperGroup's customers attend either high school or college, and it is rather unlikely that they earn their living. Therefore, the sales rates of SuperGroup can be influenced by parents' attitude toward their clothes. This is one of the greatest challenges, encountered by SuperGroup: on the one hand, they need to meet the demands of teenagers and adolescents, their main customers; on the other hand, they need to live up to the expectations of their parents.

Under the circumstances, it seems quite prudent for the company to enlarge its target audience. To be more exact, they need to broaden the age range of their customers. One has to bear in mind that youth fashion is one of the most changeable or unsteady industries: those clothes, which were considered to be at the cutting edge ten years ago, now seem to be commonplace. In sharp contrast, adults, especially those, whose age ranges from twenty-five to thirty are much more regular fashion preferences (McKelvey & Munslow, 40).

We need to stress an idea that the financial success of clothes manufacturers largely depends on their ability to predict fashion trends (Goworek, 32). Fashion forecasting allows companies to curb their marketing and operational expenses (Goworek, 32). This is one of the core difficulties, faced by SuperGroup. In this regard, we also need to point out that youth clothing is not heterogeneous.

For instance, the clothing, manufactured by SuperGroup, can be viewed as an example of casual style[1]. These products are more appropriate for everyday use than for some formal occasions. Such clothing aims to emphasize physical attractiveness of its wearer and his/her carefree lifestyle. In contrast, the chief rivals of SuperGroup such as s'Oliver try to manufacture more conservative clothes; they pay more attention to formal style[2] (s'Oliver, unpagged).

This is one of those strategies that would enable SuperGroup to attract more customers, who can make independent purchasing decisions. Another issue, which is also worth discussing, is the growth strategies of this company. The management of this company plans to enter such markets as the Far East, the Middle East and South Africa. To large extent, this choice is quite understandable because these are the emerging markets which remain relatively unexplored. Nonetheless, there are some other markets that SuperGroup should not disregard, for instance, Eastern Europe (Hines & Bruce, 24).

Prior to deciding which markets to enter, the management should carefully consider cultural differences existing between people. For example, there is very little likelihood that SuperGroup products will enjoy considerable demand in the Middle East mostly because of an entirely different dress code. The very attempt to penetrate Middle East markets can turn out to be very costly for this company, while the dividends will be minimal.

This case illustrates that the development of marketing strategies has been based on cultural and anthropological findings. While discussing marketing

strategies, we must not overlook supply chain management. As it has been noted before, the company closely cooperates with the manufactures from Turkey, China, India and Peru (Regulatory News Service, unpagged).

This outsourcing enables them to decrease operational costs at no expense for the quality of the product. Yet, they should not disregard the fact that at least one of these countries, Peru is marked with political and economic instability because at this point the country is at the stage of transition from state economy to market economy (Maxwell & Mauceri, 39). This is the companies, operating in this country run several risks, such as changes in labor legislation, inability to control manufacturing process, or increased costs of transportation (Isenheim, 2). Furthermore, one has to bear in mind that that the standards of living in this areas can rise, thus, the outsourcing itself may no longer be profitable. This is the key reason why the management of SuperGroup should decrease their dependence on foreign suppliers. These are the key factors that affect or may affect the company's performance. Some of these factors are connected with the internal environment of the company, its production process, supply chain management and customer focus.

To some extent, the management can control these forces. In turn, political situation in a foreign country or labor situation are out-of-control factors. The firm can only avoid or minimize the risks, associated with the external environment.

## Recommendations

On the basis of this discussion, we can make the following recommendations:

1) the company should manufacture clothes that would be suitable for people of older age: the age of their customers should range from fifteen to thirty or even thirty five; 2) the management of this organization should manufacture clothes that would be more suitable for formal occasions. These strategies will enable SuperGroup to enlarge their market share and boost their financial performance. Finally, these strategies will make their fashion forecasting and subsequently allow them to avoid unnecessary expenditures on production and marketing.

## Appendixes

Picture 1 (SuperGroup, unpagged) (s'Oliver)

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Refer to Picture One in the Appendixes Picture 2 Appendixes