

# Tommy hilfiger global marketing case study marketing essay



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Heavy exposure to matured markets: Though, Tommy Hilfiger is based in Hong Kong, the company is significantly dependent on matured markets for its revenues. The company generates a majority of its revenues from Europe and North America. The economy in these markets is matured and has been severely impacted by the economic downturn. Traditionally, there has been a concentration of luxury brand retailers in these regions due to high disposable incomes. However, in the current situation Tommy Hilfiger's over dependency on developed markets could adversely affect the company's overall growth and profitability.

The strategy Hilfiger should apply: Tommy Hilfiger's goods that the customers considered as specialty and expensive ones at reasonable prices and rates have been positively impacted. Reasonable pricing and high value perception enabled Tommy Hilfiger to participate effectively in the declining luxury markets. Amidst the global slow down and low growth markets, Tommy Hilfiger has been recording revenue growth. For instance, for Fiscal Year 2009, Tommy Hilfiger posted a revenue growth of 21% indicating brand resilience and effective positioning.

### Question III

There are some garment companies in Vietnam, but there are no companies that can be examined as the leading fashionable agents in designing clothes and costumes. Almost the garment companies have to run their business operations in diversified aspects. They produce shirts, jackets, pants, dresses, or even textile products, joint-venture or outsourcing and the export their products under the foreign companies' sponsorship. They do not their

core competency in setting up their reputation in sophisticated design in costumes and clothes. They are Nha Be Company, Viet Tien Company, Viet Thang Company, Hoa Binh Company, Ha Noi Company, etc. The companies' key markets are the US and the European Union. Main specialized products like Jackets, Jeans, shirts, dresses... are ranked as good quality by the company's important partners. The total value of products mainly bases on exporting (by themselves, or outsourcing; 70% for exporting; 30% for domestic distribution). They are in the system of planned economy, so Hilfiger cannot learn anything from them.

#### Question IV

Tommy Hilfiger, through its subsidiaries, designs, sources and markets designer men's sports wear and boys wear, including woven shirts, knit shirts, pants, swimwear, sweaters, outerwear and athletic wear. These offerings are complemented by collections of men's tailored clothing, dress shirts, denim products, neckwear, socks, underwear, belts, small leather goods, sleepwear, robes, golf wear, foot wear, sunglasses, prescription eyewear, women's casual wear and men's and women's fragrances, among others, bearing the Tommy Hilfiger ® trademark, which are produced and sold pursuant to certain licensing arrangements. Tommy Hilfiger is the company's principal designer and provides leadership and direction for all aspects of the design process. The company's sports wear is designed to combine classic American styling with unique details and fit to give time-honored basics a fresh and updated look for customers who desire high quality, designer clothes at competitive prices (Daily News Record, 2003).

Hilfiger may make use of its Strengths (SWOT Analysis) as the strong strategy to survive as follows:

Brand equity and celebrity endorsement: Tommy Hilfiger enjoys strong brand equity across the world, which has been helping the company to withstand the competition.

Global presence: Tommy Hilfiger currently distributes its products in over 65 countries including North America, Europe, Central and South America, and Asia Pacific. The company sells its huge products portfolio through department stores and specialty stores worldwide.

Tommy Hilfiger has been setting up its brand-name in progress with making use of its finance in investment, so it has been getting good return on investment (ROI). Although there have been the impacts of economic recession on lots of economic industries and the customers' consumption, Tommy Hilfiger is still on the remarkable progress with its strategies and position.

To sum up, as said in the case study in the textbook that, “ Future growth Hilfiger depends both on expansion internationally and revamping slowly growth in the United States. As Hilfiger's CEO, Fred Gehring, worries that so many changes for Europe create both a nonuniform image and an addition to costs. He harmonizes the two markets with most designs coming from Europe can be supplied for the American consumers because its designers aim at the American classical style which are slightly more grown-up and sophisticated”.