

Marketing planning process of vakko marketing essay



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Vakko is one of Turkey's oldest and most stylish fashion houses, with excellent fabric departments. Vakko is a Turkish base company which is famous in producing and distributing, luxury textile and leather goods. Vakko is a 71 years old establishment which has a most prestigious name since its history in Turkey. It is a renowned brand which covers many marketing departments in itself. Vakko has many collections including Vakko men and women, Vakko scarves, Vakko shirt, Vakko wedding. Textile is the main feature of this brand. However, Vakko also deals in chocolates, perfumes, credit cards, furniture and bags and shoes. Vakko is a brand that brings world's fashion and introduces especially Turkish fashion to the rest of the world. It defines fashion in every season by representing its textile collection both for men and women. Vakko's overall style is a contrast between classic European urbanity and romanticized luxury. (www. google. com). " Vakko Tekstill Ve Hazir Giyim Sanayi Isl". Vakko brand provides high quality designs for both men and women. It has proven itself many times as one of the most elegant, stylish and sophisticated brands in the world as well as in the fashion market. (<http://www.fobu.com/brand/vakko>).

History and present situation

" Fashion is Vakko" has long been the motto of this Turkish stylish house. This fashion house began in 1934 when M. R Vitali Hakko started small millinery called " Sen sapra". With the passage of time as the business expanded the name was changed to Vakko and the company began to produce scarves using Turkish silk, cotton and wool. When the first Vakko store was opened at Istanbul in 1964, it was the biggest store that had ever been built there. Vakko's sales network is comprised of

48 Vakko and Vakkorama shops, more than 600 outlets and numbers of corners in big department stores such as Boyner or YKM. Vakko is the first modern shop of Turkey and also the pioneer of high quality customer service concept in Turkey. The company's brand name is remembered as "fashion" in Turkey. (www. Mymerhaba. Com). In the beginning of 2004, Vakko opened its first shop in Hamburg, Germany, now it has three shops abroad, two in Germany and one in Abu Dhabi (Company report, Gedik investment, 2005).

Vakko is known as one of the most recognized brand names especially for luxury clothing. It operates many marketing products such as chocolates, credit cards, furniture, and decor under this brand name whereas this brand is more renowned for stylising men and women clothing. As a Turkish brand, Vakko recently opened its foreign market in 2003 in Germany, Austria, Switzerland and Poland but not yet in United States (Global Economics – Interview- Cem Hakko " chairman of Vakko") www. nytim. com/ global / Turkey, 2008. As far as Vakko's foreign market is concerned within United States, it would be very challenging task for the company itself. Cem Hakko (chairman of Vakko) states his opinion about the brand, to open its market in the US, " At first, it should start its foreign market from the capitals of fashion for example; Paris and Spain . Then, this brand should be introduced in United States."

Country analysis: (USA)

Physical characteristic: (suitable climate)

Vakko brand can maintain very good business market in the US for a number of reasons because it is a huge populated country. In different states of the

US, people adopt various fashions according to their choice and climate. Vakko introduces latest fashions in every season for every category of customers (old, young, middle aged people). Vakko brand is also very suitable for the climate of United States because Turkey is also a hot country and Vakko uses the fabric which is suitable for Turkey and other countries in which Vakko has its foreign markets. In United States weather is temperate. The most fashionable production of this brand is beautiful scarves, which could be more popular in United States. Young girls and middle aged ladies can use these scarves as a fashion (as scarves are mostly used as a fashion in western countries) whereas; these scarves could also be used in United States for the protection of face against the sunshine. Every season 200 different models of scarves with a wide palette of colour and textures and 200 variations of ties are introduced ([www. fobu. com/brand / vakko](http://www.fobu.com/brand/vakko)).

Population and standard of living

The United States is a huge populated country. It has various states and cultures. The products of Vakko symbolize high status and significant importance. It does match with the standards of living with the US people. The standard of living is mostly high of the American people. Therefore, Vakko's foreign market in the US could run successful business in this regard. Especially, Vakko wedding dresses are very unique, stylish and expensive. The marriages are very beautifully celebrated in the United States. Vakko wedding dresses of men and women may possibly get high demand within the US market ([www. Vakko. com](http://www.Vakko.com)).

Political condition and political risks

Each of the world's national government regulates trade and commerce with other countries and attempts to control the access of outside enterprises to national resources. Every country has its own unique legal and regulatory system that impact the operations and activities of the global market. From the political aspect if we look at the product (Vakko) within the US, it could be assume that Vakko would not have to face any special issues in this regard because political condition is very sound in United States and it offers an open market for any new product. It is obvious that every new market has to comply with political rules and regulations of that country in which one is going to introduce its product. As previously mentioned, the US offers an open market for any new product. However, it is obvious that every product which is introduced into a new country has to face some political risks sometimes. It happens when a government makes some changes in policies regarding particular products. The level of political risk is inversely proportional to a country's stage of economic development. For example; if a country is less developed then political risk increases to a large extent. Keegan & Schlegelmilch. (2001, p. 111). However, as far as Vakko brand is concerned within the US market, it would possibly not face any political risks because United States is a developed country.

Economic condition of the United States and Turkey

“ United States has the largest and most technologically powerful economy in the world per capita GDP of \$48, 000. In this market-oriented economy, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services

predominantly in the private marketplace. The US business firms enjoy greater flexibility in this regard whereas other foreign markets have to face some barriers. Turkey's dynamic economy is also a complex mix of modern industry and commerce along with a traditional agriculture sector that still accounts for more than 35% of employment. It has a strong and rapidly growing private sector, yet the state still plays a major role in basic industry, banking, transport, and communication." (www. cia. gov)

The largest industrial sector of Turkey is textiles and clothing, which accounts for one-third of industrial employment; it faces stiff competition in international markets with the end of the global quota system. The economies of both countries (Turkey & United States) give favourable chances to Vakko to be introduced in the United States.

Various cultures and fashions

Vakko is a unique brand and previously it was famous with the name of fashion; " Fashion is Vakko". In the United States various cultures exist among people. They like to do a number of things in their lives. They like music, dance, cinema, literature, poetry. Most important of all they like to adopt new fashions immediately as they come to know about it. This brand under the name of Vakko introduces new fashions and unique colours in men and women clothing. This brand is successful because they more focus on the fabric of the cloth rather than just colour.

Marketing ” Ps” of Vakko

Product

Vakko brand is renowned for certain reasons for example; the material which the company use for men and women clothing is very comfortable and expensive. The company itself claims that they value for their customers and their opinions. The chair man (Cem Hakko) of the company says in this regard that they suggest to their customers to come in and feel the fabric of the clothes by themselves. So, they can see the differences between their brand and others. The company provides best quality of material for their customers. Vakko brand fulfils the need of latest fashion clothes among youngsters. Especially, Vakko’s wedding dresses are very unique and stylish. It is an expensive brand, which is running successfully because of its good quality.

Most of the time it happens, people do not want to buy things on cheap price because they assume that quality of that product would be very low. The target audience of this brand is those people, who prefer to buy designers and branded clothes. This is obvious, mostly wealthy people purchase branded goods. These people prefer quality on quantity. This luxurious brand fulfils the demands of fashioned people of higher society. This product Vakko (clothing) does suit to the people of the United States.

Place

Vakko (brand) operates many marketing as mentioned earlier (chocolates, credit cards, furniture, bedding, bags and shoes. Especially, for clothing in the United States, this brand needs to be advertised appropriately on target

markets such as retail stores, shopping malls, and online transactional websites because it will attract a wider audience and help to increase company's sales to a large extent. This is a luxurious brand, mostly wealthy people can afford it, so when this brand (Vakko clothing) will be sold on such target markets, the company can possibly get its target sale volumes. It is a general perception of public that they can get good quality products in shopping malls and from online websites. As Vakko clothing is renowned for its fabric quality and material and when it will be sold at (mentioned above) target places; it would assure the customers that they are buying standard quality goods.

This kind of satisfaction will again bring the customers to these places to buy the particular brand (clothing). Same strategy for places should be adopted in the case of the US.

Promotion

Vakko has been among the ten most remembered brands with international brands such as Adidas, Arcelik, BMW, Bosch, Coca cola, Levi's Mercedes and Sony (Company report, Gedik investment, 2005). On the other hand, the company spends significant money on promotional strategy of Vakko for example; the company introduces its products through advertisements on different channels and they offer their catalogues of all products which they launch in market. The company advertises its clothes (Vakko) through different (male & female) models every year. To open a foreign market in the United States; all these kind of promotional strategies would be successful. On the other hand, the company spends significant money on advertising, as a result its position in the sector and marketing & <https://assignbuster.com/marketing-planning-process-of-vakko-marketing-essay/>

advertisement expenses constitutes more than half of its operational expenses. Vakko brand is famous all over the world due to its product's quality. However, this brand got popularity due to advertisements to a large extent. The company's sales revenue increases 6.5% in 2005 and operational profit margin and net margin to be at 11% and 3% respectively and net earnings at YTL, 3,067,629 with a 102% increase from the year 2004 (Company report, Gedik investment, 2005).

Price

Vakko's target audience is wealthy and fashionable people because it is a luxurious and expensive brand. The prices of Vakko's products are relatively high because the company spends a significant amount of money on every aspect of its brand such as product quality, place and promotional strategies. The company offers best quality and service to its customers and in return they charge high prices. Vakko's customers prefer quality more than price because they cannot compromise on low quality goods. Most probably, they believe to buy once (better quality) rather than to buy again and again. It is true, reasonable price attracts customers immediately. However, brands have to maintain their standards. Sometime, companies afford to lose some customers because the remaining customers are paying enough for the products and they have to maintain their brand standard and price at any cost.

Conclusions and recommendations

Vakko manufactures high quality clothing and home textile products for mostly domestic market. The company is also one of the most recognized brand names for especially luxury clothing. This brand is popular in young
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generation and middle aged people due to fabric quality and unique colours. The company is maintaining good business in Turkey and in other countries.

Vakko is a luxurious brand of Turkey and it has foreign markets in other countries and company has also been monitoring United Arab Emirates as another expansion location. After analysis the different aspects of United States and product, it could be suggested if Vakko (company) would open its foreign market in United States, then it would possibly gain success in this regard. However, this is also a good suggestion by Cem Hakko (the chairman of the company)that at first company should open its foreign market in Paris and Spain then it would be introduced in the United States because the US market is a little bit difficult to embrace and even more in New York due to high competition. To introduce a product into a new country, the company has to consider many elements regarding to the product and its outcome according to the situation of that specific country. To sum up, it can be said and suggested that Vakko's foreign market would maintain good business in the United States.