

La senza essay sample

[Business](#), [Branding](#)



Introduction

La Senza Corporation owns and operates lingerie retail stores in Canada and internationally. It offers bras, panties, loungewear, hosiery, and body care products; and beauty products and accessories, including lotions, creams and body washes, lip glosses, bra accessories, naughty accessories, booties, cosmetic bags, gift sets and boxes, and phone cases. The company also serves customers online. La Senza Corporation was formerly known as Suzy Shier Limited and changed its name to La Senza Corporation in June 2001. The company was founded in 1990 and is based in Toronto, Canada. La Senza Corporation operates as a subsidiary of Limited Brands Canada. As Canada's premier lingerie retailer, La Senza owns and operates over 300 stores throughout Canada, and a further 300 stores in 30 more countries around the world. La Senza UK business collapsed into administration earlier in July 2014. La Senza's parent company Marnixheath said: " Every effort has been made for two and a half years to transform and revitalize the La Senza UK business, but it has continued to experience difficult trading conditions, against the backdrop of a challenging economy and the changing dynamics of the UK retail market."

Task 1.

An analysis of the company's vision, mission and internal capabilities drawing on relevant models La Senza mission is to provide an outstanding lingerie presentation in a world class environment. La Senza provides customers with outstanding personal service, while combining quality, fit and value. The mission statement of La Senza, defines the organization's purpose and primary objectives. Its prime function is " to provide an outstanding

lingerie presentation". It provides a reason for being, which is one of the most important aspect of a mission statement. The mission statement is clear and concise and provides focus and a sense of direction. The company aims to satisfy two areas of consumer needs: firstly, La Senza strives to become the destination specialty lingerie store for all consumers and secondly, to provide a constant range of products relevant to the customer. Since the first store opening in 1990, La Senza has maintained a focused vision of excellence. The La Senza brand name has become synonymous with high quality, affordability and elegance, and La Senza takes pride in dedicating itself to its customers and merchandise.

Its merchandise is of the same quality as Victoria Secret's one, but much more affordable. The vision of La Senza is clear and powerfully communicates its intentions and motivates the team and organization to realize an attractive and inspiring common vision of the future. It defines the organizational purpose in terms of the organization's values rather than bottom line measures. It seeks to create value for its customers by delighting them. It envisions being the most respected, successful, having a wide range of products, and the best people. However, while being clear and concise and providing a sense of direction for managers, employees and investors, the company's vision and mission statement do not send the clear message to the customers about the products that they should expect unlike Ann Summers' mission which aims to "to help every woman feel more sexy and have more fun" or Initimissimi's plead to provide "romantic because it inspires the imagination and emotions, sensual because it enhances allure, natural because it embodies grace and reflects modern style and needs.."

By exploiting internal resources and capabilities and meeting the demanding standards of global competition, firms create value for customers. Value is measured by a product's performance characteristics and by its attributes for which customers are willing to pay. The sale of women's intimate and other apparel, personal care and beauty products and accessories through retail stores is a highly competitive business with numerous competitors, including individual and chain specialty stores, department stores and discount retailers. Brand image, marketing, design, price, service, assortment and quality are the principal competitive factors in retail store sales. La Senza's online businesses compete with numerous Online merchandisers. Image presentation, fulfilment and the factors affecting retail store sales discussed above are the principal competitive factors in online sales.

Strengths

The following strengths contribute to its compatibility:

A strong brand name is a major strength of La Senza. This gives La Senza the ability to charge higher prices for their products because consumers place additional value in the brand La Senza exhibits brand recognition which provides the company with a competitive advantage. The brand is aspirational at accessible price points and has a loyal customer base. In Canada, La Senza is a leader in young women's intimate apparel. La Senza is often compared to its sister brand, Victoria Secret. While they are equal in quality and have very similar products, La Senza's products are much cheaper than Victoria Secret products which can be considered as its

advantage. When given a choice, customers are loyal to La Senza. Instead of targeting all customers, La Senza only needs to target new customers in order to grow their business

Weaknesses

Weak customer service hurts La Senza's reputation and causes customers to flee to competitors, who are more responsive. A lack of scale means La Senza's cost per unit of output is very high. Increasing volume, while maintain quality, would help reduce those costs. A weak cost structure means La Senza's costs are high in comparison to their competitors.

Deficiency in marketing issues; little to no media advertisement. No specific focus. La Senza is more 'sexy' than M&S and more 'everyday' than Ann Summers; it occupies a middle of the road market share which declined when the economic crisis hit. M&S still sold their everyday wares, and Ann Summers specialized in 'naughty' whilst La Senza hit the buffers.

BCG Matrix

La Senza products are cash cow.

Not a growing industry

Bras are basic

Constant need = stable industry

Value chain analysis:

Primary Activities

Inbound and outbound logistics

MAST Global's full-service logistics operation is focused on delivering flexible and scalable global supply chain solutions that go beyond basic

transportation, warehousing and distribution. The company stays engaged at the forefront of global logistics practices. Its proven experience in customs and country of origin requirements helps identify and avoid potential global trade compliance issues, ensuring smooth transport of finished products from points all over the world. Operations

A large part of the company's success comes from frequent and innovative product launches, which include bra launches. The company's merchant, design and sourcing teams have a long history of bringing innovative products to customers. Additionally, the sourcing function (Mast Global) has a long and deep presence in the key sourcing markets including those in the U. S. and Asia, which helps it partner with the best manufacturers and get high-quality products quickly. Marketing and sales

While the UK franchise of La Senza is owned by Alshaya UK, the brand's parent company and strongest influence is Limited Brands, which also owns Victoria's Secret and Pink, and the influence is clear in both the product and the branding. Victoria Secret aims at the high end customers while Pink at collegiate and younger customers; it is a fashion type of brand. La Senza's focus is traditionally in the middle. However, recently La Senza has refocused its offer for its core young audience and is set to push the button on a seven figure marketing campaign to woo back customers. The company views the customers' in-store experience as an important vehicle for communicating the image of each brand. It utilizes visual presentation of merchandise, in-store marketing, music and our sales associates to reinforce the image represented by the brands. The store design, furniture, fixtures

and music are all carefully planned and coordinated to create a unique shopping experience.

Service

La Senza offers the same range of services to its customers as any other lingerie shop in terms of returns and refunds, fitting, etc. The company is proud of its excellent customer services however many customer and business reviews point out that La Senza provides weak customer service which hurts its reputation and causes customers to flee to competitors, who are more responsive. Support Activities

Procurement (purchasing)

The acquisition of resources for the company is done through Limited Brands Logistics Services, a wholly owned operating division, is responsible for providing global logistics, compliance and procurement management. It allows the company to maintain a fast, flexible, and integrated end-to-end demand chain that supports business needs, anticipates business needs and reacts quickly to changes in business needs; maintain proactive regulatory compliance and quality processes into the end-to-end demand chain; leverage technology, process and talent to reduce the time to value for all procurement activities; maintain an efficient low cost end-to-end supply chain; drive value and leverage across all procurement and travel logistics opportunities Human resource management

The Company has a clear and transparent recruitment and selection which allows it to recruit the best personnel. La Senza has been searching for its identity over the past few years and in turn many great practices have been

developed to improve employee satisfaction. Incentives are offered often to performance driven associates and management. Overall the company is rewarding although the standard for performance and customer experience is a lot higher than the industry standard. The company offers flexible working hours. However, there is little room for advancement and no stability as the company constantly lays off their people- multiple mass layoffs within a single year.

Technological development

The global in-house information technology organization employs world-class IT professionals with exceptional capability in business systems, programming and technical consulting. Beyond providing behind-the-scenes technology support, this team operates as trusted business advisors working with the brand to support its growth and productivity with innovative data and technology solutions. Mast Global Technologies touches every facet of its specialty retail businesses with the purpose of keeping it current, connected and on the cutting edge of specialty retail. Its management information systems consist of a full range of retail, financial and merchandising systems. The systems include applications related to point-of-sale, e-commerce, merchandising, planning, sourcing, logistics, inventory management and support systems including human resources and finance.

Infrastructure

LBrands plan revolves around the three “Fs”... FOCUSED, FAST and FRUGAL. It has a multi-year goal to grow the business and increase operating margins

for the brands by focusing on these key priorities: Grow our business in North America;

Extend the core brands internationally;

Focus on the fundamentals of the business including managing inventory, expenses and capital with discipline; Become the top destination for talent; Return value to our shareholders. Its senior management team has a wealth of retail and business experience at L Brands, Inc. and other companies such as Neiman Marcus, The Gap, Inc., The Home Depot, Land's End, Levi Strauss and Yum Brands. As per the company's statement it has one of the most experienced management teams in retail. La Senza's structure has undergone some changes recently with financial, legal, distribution, technology and HR remaining in Canada and reporting to L Brands Canada while creating a Canadian-based team to ensure consistent and satisfying customer experience in Canada. Creative and merchandise function will move to L Brands headquarters in Ohio. Such structure better connects La Senza to enterprise resources and support it advances in product, shop experience and brand position

VRIN Analysis:

Core competences:

Well-known brand name;

Low prices;

Strong brand support and customer base in Canada;

MAST systems - Mast Global is known world-wide as a premier supply chain

organization with a reputation for innovation, speed, efficiency and quality. Today, Mast Global also includes our global information technology function. Together, Mast Global provides the best in innovative end-to-end solutions that help to “ make, move and enable” our world-renown brands.

Task2

External competitive analysis of La Senza

In marketing newspaper Rosie Baker wrote that La Senza UK belongs to and competes in the lingerie and intimate apparel industry, thus has so many competitors. The brand is perceived as a rival to more upmarket lingerie retailer such as Anne Summers, Marks & Spencer, Bravissimo and the likes, (Baker, 2010). But unfortunately the brand is under administration for the second time in two years, it is therefore imperative according to Helen Edwards of the business columnist to analyse its environment in order to re-position itself so that it can survive this administration and bounce back and operate on going-concern basis, thus increase its market share and gain competitive advantage over its rivals at the end, Edwards (2012). Analysis of the external environment Johnson et al (2008) explains that firm’s external environment is divided into macro-environment, industry (sector) and competitors. Thus this paradigm becomes the basis of analysis. Fig 2. 1: external analysis

Sources: Johnson et al (2008)

Basis of analysis

Macro environment

Pest Analysis, Scenario Planning

Industry

Porter's 5 forces, Swot Analysis,

Competitor

Strategic mapping, Competitors analysis,

Macro environment analysis

Firms are influenced generally by political, economic, social, technology, environmental and legal factors. These factors exist independent of the firm, and thus influence its operations. The degree to which these factors affect the company either negatively or positively is dependent on the company's strengths or weaknesses which had been discussed in task 1.

Pest analysis:

Political factors

La Senza UK has faced varied political issues from huge taxes levied on retail markets both home and abroad where the products are sourced from e. g. China, and Sri Lanka. The huge one is the exploitation of cheap labour in third world countries where the products are made; this is due to price competition in order to gain economic of scale to reduce production costs, placing huge weight on labour. Therefore, the European Union sets legislation and restriction to make it hard for these stores to exploit labour. Furthermore, the increase in VAT made items made in Britain expensive and hard economic time's decreases household disposable income spent on innerwear by 5%. Also, the health implication that has risen from this offshoring Bras from China has had an adverse effect on the firm. According

to BBC news, there had been report of women suffering from under breast rashes after wearing the La Senza bras imported from China. Economic Factors

The great recession of 2008 decreases employment level, consumer spending power and GDP, but this brought high inflation and interest rate. Thus disposable income and spending pattern of women changed from the purchase of expensive goods to alternatives which offer value for money. E. g: La Senza unit sale price for bra is £25: 50, but Primark offers same bra for £5. This therefore reduced sales in the firm and ultimately eroded profit of the company. Also the firm have seen cutting down prices in order to remain competitive which has reduced profit margin and left them unable to meet their financial obligations. Social / cultural factors

Social factors that have affected the firm are that it focuses on the production of inner wear for girls, younger women between 18-35years old, [demographic]. Thus leaving older women out of their production line and not considering that UK is an aging population, (see table 1) (HASSELL, 2011). It is obvious that the firm actually decided not to make money from the largest demography of the population. This is really mind blowing to us as a consultant, seeing that the aging population is over 41% in median of women and money is not made from them is really ridiculous.

UK population by Demography 0-14 years

17. 3%

(boys 5, 625, 040, girls 5, 346, 815)

15-24 years

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

12. 8%

(Male 4, 158, 813, female 3, 986, 831)

25-54 years

41. 1%

(male 13, 250, 434, female 12, 807, 328)

55-64 years

11. 5%

(male 3, 589, 345, female 3, 680, 392)

65 years and over

17. 3%

(Male 4, 877, 079, female 6, 073, 497)

Total= 40. 3 median age

Male= 39. 1years

Female= 41. 4years

Source: ONS, (2013)

As population is getting larger, more women are with bigger breast due to implantation in order to feel sexier, thus they need larger and sexier bras, but La Senza focuses more on the production of cup A - D bras, unlike Marks and Spencer with varied sizes to HH cup (Campaign 2010). The firm should incorporate more sexy bras and lingerie for the DD+ women, so that they have different options to choose from and not restricted to the plain saggy bras outline for them. Technology factor

La Senza has been low in RND, most of its focus on innovation has been on bras therefore leaving majority of its pants on VPL (visible pant lace) which

ladies found embarrassing. Whereas it's upmarket competitor like M&S has every fibre of pants ladies can dream of and in different styles and designs for varied age group. SWOT ANALYSIS

The firm's strength and weaknesses had been discussed in task 1, this phase will look at its opportunities available for the firm to utilise in order to gain back its fading glory, and also the threats the firm faces in its industry.

Opportunities

Threats

Target older demographic as these people still want to feel good while aging, and they make up more than 41% of the population. Advertise more its different lines.

Open new stores in strategic locations in the suburbs; take the products to customers both near home and online. Open a male section for the straight men and guys too. These people are considered to be higher spenders. To increase the market share the firm should do a related diversification. Make online experience more dramatic with promotional offer, mobile marketing, TV advert, social media ie Facebook to attract more customers. Extend portfolios with larger sizes.

Improve its customer services.

Competitors offering same products at reduced prices.

Limited product range, from sizes to style.

The firm has so many competitors like M & S, Ann Summers, Bravississimo, H & M, Freya, Primark etc. Limited store locations in strategic areas unlike M &

S, Primark, H & M with branches both on high street and in the suburb.

Economic downturn.

Eastern cultures against sexy lingerie.

Industry Analysis: it has to do with the analysis of Lingerie firms like Ann Summers, La Senza, M&S, Primark, Freya, Asda etc. This will be analysed using Porter's 5 forces model. Threat of new entrants: low

La Senza sources its products from Sri Lanka and China in order to gain economies of scale, which is not easy for upcoming firm to match; hence it will be very expensive to gain entry for new comers. More so, retailer like Primark offers wide variety of Bra at cheaper rate. Though it is not easy for new competitor to enter this market due to its huge capital intensity which stands as a barrier, but non-lingerie specialists like Primark, H & M, Debenhams, Asda and more especially Marks and Spencer are posing a huge threat to the firm which is lingerie specialist, and these firms are seems to be winning with increasing market share (Datamonitor 2009). Marks and Spencer top the chart with more than 25% market share. Threats of substitute: low

Substitute according to Porter (1986) as cited by Magretta (2012) are products or services that meet the same basic need as the industry's product in a different way. There are fewer alternatives to bras like comfy, vest, body shape, but they do not offer the same comfort as bras, which is good news to the firm. Bargaining power of buyer: high

It is observed that the bargaining power of buyer is high in the lingerie industry because according to Porter 2012, the switching cost to alternative is lower due to the fact that more undifferentiated products are available in the market place, with different varieties to choose from and at reduced price. Same quality of bra is offered by competitor at reduced prices, hence customer takes their numbers with them to other store therefore reducing market share of La Senza. Bargaining power of suppliers: low

The firm sources its product from overseas countries like Sri Lanka and China, which implies that the firm has different alternatives to choose from, either to home or abroad supplier, consequently reducing the supplier's power. The major issues in sourcing product from overseas suppliers are that La Senza has encountered various disadvantageous incidence ranging from delays in deliveries to product being infected by sprays from pesticides used to reduce contaminations, which has actually lead to women complaining of rashes after the purchase of the products. Fig 2. 2: Porter's five forces

Source: West et al (2010)

Competitive rivalry: high

This industry is infused with much competition from both specialist firms like Ann Summers, Bravissimo, Freya, La Senza etc and non-specialist firm like M & S, H & M, and Primark etc. it is observed that the market bulk of the market share is moving towards the non-specialist brand as these firm has huge capital to invest in therefore operating on price reduction strategy through economies of scale. Thus consumers are flocking to them since they get the same value at reduced prices.

<http://www.thinketc.com/marketing-audit-asda-george-lingerie> http://www.fspretail.com/_common/updateable/pdf/232011La%20Senza.pdf

Competitor's analysis

Strategic group mapping

This tool will be used in order to identify the close competitors of La Senza in its industry. This is done on the basis of the scope of each competitor (product range, geographical coverage and distribution network) and the resource commitment (brands, vertical integration and marketing spend). Therefore the market share they have is done in comparison with La Senza's. La Senza's major competitors are: Marks & Spencer, Bravissimo, Agent provocateur Ann summers, Calvin Klein underwear, BHS and so on. In addition Marks & Spencer stood out as a lingerie company to beat. It had the biggest selection of lingerie, and also targets broader age groups at varied quality and price range. Understanding competition: Ann summer is the direct competition for the firm, according to the group map below, thus the firm should focus on increasing its share from attracting most of Ann summers customers by either price reduction or varied product line that Ann summers are not producing.

Analysis of strategic opportunities: the map reveals attractive space within the industry that La Senza could exploit: which is in the low price and increase value section. That means for the firm to 'get its groove back' and increase its market share, it needs to reduce its product unit price as well as still maintain high value adding characteristics. That means its product should add more value than Marks and Spencer's products and also cheaper

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

than Debenhams' products. Analysis of mobility barriers: moving across the map is always very challenging, but with the strong financial back-up of the new owner of La Senza, Alshaya Kuwait retail group, the operators of Next, Limited Brands and Mothercare, who rescued the firm from administration in 2012.

Fig 2: Lingerie Company Market Share and group mapping.

Source: The Guardian 2014.

Disruptive Innovation

Disruptive innovation was found by Professor Clayton Christensen, it is an innovation that helps a firm in designing a product and developing a new market and eventually create disturbance in the existing market and their value network.

<http://www.innosight.com/services-expertise/expertise/images/disruptive-innovation-model.jpg>

In his study of disruptive innovation Christensen has distinguished between "low-end disruption" and "new market disruption" Low End Disruption

This kind of disruption takes place when a company designs a product which attracts the low class and worst customers from the existing market. It usually comes into process when one figures out a business strategy which offers low cost products. It is the opportunity which shows itself when the best firms in the market offer products which are more than the requirement of the market. Here it should be also notable that the cost means "cost of use", it is not only in terms of money. In this case the goods

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

are usually of low quality but the consumers who switch really doesn't matter or care because the existing good is serving them more than their requirement. One can only identify his firm is low end disruptive when his business plan is working properly and earns good profit by getting customers of low value leaving incumbents and getting attract to his product or services.

In the " Low-end disruption" sometimes the performance of the product exceeds than needed by the customer in that case a disruptive innovation can take place in the market and which may offer a product with lower performance which is only capable of fulfilling the necessities of the people but at the same time it can also fulfil the requirements of other customers. So that it can hold its position in the market. Here the company is interested in focusing upon the customers who are less profitable and are happy with any satisfactory goods. In order to improve the quality of a product a company requires the customers who are ready to pay for a little high quality product and once a company gets hold over the market it looks for high profit margin. To maintain their quality in the market a company may require using innovations. In the end a disruptive innovation steals the profitable customers from existing market and fulfils their demands to create its own new market. New End Disruption

The " New-market disruption" fulfils the requirements of the customers which were previously not served by the present incumbents. This kind of disruption takes place when a company offers a product which fits perfectly

in the developing market and was not available before in the existing market. http://en.wikipedia.org/wiki/Disruptive_innovation

Every firm's aim is to innovate faster before its customers' requirements emerge. Many companies in this case stop manufacturing the goods and services that are very sophisticated and costly, and are also difficult to handle by number of customers. Firms use these "sustaining innovations" at the high levels of the market as this has helped them in getting success throughout the history. Firms can also get huge amount of profit by charging high price to their most demanding customers in the market. By taking this steps organization unintentionally allows the "disruptive innovations" to enter into the low class market. This kind of innovation grants the whole new category of customers belonging from the bottom of the market to get the opportunity to purchase those goods and services which earlier were only available for the customers having high purchasing power. <http://www.claytonchristensen.com/key-concepts/>

Disruptive Innovation In A Clothing Industry

ZARA

A very well known clothing brand Zara has maintained control on its production process in Spain by providing accommodation to the designers located near to the production location, hiring creative employees who have command over computer skills, introduced logistic system in the firm which could move its products in different locations in no time and get the feedback from its sale representatives. Also they have maintained their IT system up to date to keep the whole value chain under control so they can

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

easily manufacture new goods or change the goods which are going to be stocked in its stores overnight, at any place all over the world. By doing this if a new collection of clothes or accessories are being well purchased in Denmark but not in any other country can be easily moved to Denmark, same as if something is not well sold in Denmark can be transferred to another country. Zara's customers know that even if once a week they go into the store they will find affordable price clothes which were not available in the previous stock. In this way they don't have to stay for long and wait for new fashion to arrive. This is how Zara has promoted disruptive innovation in its business. <http://johngaynardcreativity.blogspot.com/2010/03/difficulties-of-international-sourcing.html>

DISRUPTIVE INNOVATION IN LA SENZA

By implementing the strategy of disruptive innovation in the company, La Senza can increase its chances of competitiveness in the market. It can introduce new collections after every two weeks and keep the customers update by mailing them about new arrivals or create its own android application so in no time the customers are known with the latest collection and prices. The main idea of implementing the disruptive innovation is to provide ease to the customers and gain profit in less time. In the end it would not be wrong if said that it is not necessary that all companies who succeed are disruptive. It is possible a company may run with the existing market and leave other companies behind by playing their own set of tricks. And this is possible if one looks into one of the different ways like having

best innovations, attractive designs of the products, having different marketing plans and offering affordable prices.

TASK 3

La Senza's capabilities, strengths and weaknesses, the position of the company regarding to the industry and the rivals are meticulously explicated on previous tasks. The main action is to build a corporate identity which is apparently crucial for fashion retailers in order to survive in market's tough competition. The corporate identity is defined as "the set of meanings by which object allows itself to be known and through which allows people to describe, remember and relate to it" by van Rekom (1997, p. 411). Schmidt identifies 5 points of the corporate identity (1995): Corporate culture,

Corporate behaviour,

Products and services,

Communications and designs,

Market conditions and strategies.

Some of the points above are strong fields for La Senza. However there are still a few processes to improve for the company. As a result of internal and external analysis, it may be said that the company is stuck in the middle which points out a strategically inadequate circumstance. Some appropriate strategic options would be recommended to the Board in terms of gaining a competitive advantage into the retail business. Strategic Options:

Johnson divides the strategic choice of the organisation in 3 parts (Johnson, 2005): Business or competitive strategy,

Corporate and international strategy,

Directions and methods of development.

As mentioned above on previous analysis, the main problem of La Senza UK is to beat the competition and to improve the business. Therefore we recommend the company to focus on the business strategy at first in order to gain a strong position as well. Similarly, Porter suggests the Three Generic Strategic Approaches to outperform other firms in an industry in his book "Competitive Strategy": Overall cost leadership,

2 differentiation,

Focus.

The weak points of La Senza UK and the strategic approaches are supposed to be linked and performed with an entire coordination. The development areas are shortly: To reduce the cost per unit of output by exploring alternative suppliers or increasing the procurement volume, To revise the specific target customer and enrich the range of product to attract this profile, To focus on media advertisement and create an intense presence in social media to increase both in-store and online sells, To improve customer service for not to lose current customer rate, To differ the prices by random discount periods and offering attractive promotions. Cost leadership is about organizing all your resources around producing goods and services at the lowest cost possible¹. It is not always easy particularly when your rivals are big players of retail industry such as Primark, M&S, and Debenhams etc. The huge capital intensity let them buy greater proportions of product so that the contribution margin and the cost per unit decrease respectably. However La

Senza has a specialization area on underwear so that the operational processes are quite simple regarding to the brands above.

The operational functions which provide the most effective cost reduction are supposed to be well analysed. Certainly the target customer is a range of various buyers who should be determined accurately. The product scale of La Senza UK has an ambiguity in focusing the exact target customer. As Porter mentioned in his book as well, a firm cannot only find good buyers but also can create them. Even if La Senza has been launching numerous collections with different titles, none of them is steered directly to a specific group of customer. For example creating a new collection which is only focused to teenage girls is definitely a competitive move in the market. In fact the first bra is highly special for a teenage girl and doubtlessly this customer segment is eager to consume so far.

The selling idea is "your first bra" and the emphasis is predominantly on this motto. However the collection may include your other products such as panties, night sets etc. through providing the customer to combine them. Similar strategies may be easily diversified in order to attract the elder woman who is looking for different underwear options. This differentiation creates a strong position against other competitors by building a customer loyalty that even they might even tolerate high prices. As you can interpret, the differentiation and the focus are two correspondent approaches to each other. Additionally, following each product's selling performance is absolutely crucial. Even if the differentiation is an effective improvement option, the company shouldn't stuck on a product which isn't in demand by

customer. This is also a key point that ameliorates the inventory management process of La Senza.

Other Improvement Areas

Online Marketing

The marketing activities are better to be redesigned in a more aggressive approach and emphasized particularly on on-line buying. The website looks totally glamorous and full of matter but surprisingly some products cannot be bought by clicking on them. If there is a group of product which will be exempt from on-line shopping, it is definitely accurate to remove them from the website. This defect appears considerably unprofessional and also results in some customer disappointment indeed. For this reason, a revision of the range of product to expose is highly recommended. The marketing activities may be enlarged by using the social media and creating a La Senza mobile phone application in order to announce new products and discounts.

Promotions, Special Offers and Events

La Senza puts some discount offers such as "\$20 each when you buy 2 or more or \$25 when you buy one". Even though this is a proper offer, this expression is quite weak to fascinate customers. The best discount offers should allure the customer by making her think that it is really beneficial such as "buy 1, get 1 free", "get the 2nd for £2". Providing customer for multi-buying is a mutually profitable strategy to create high volume selling movements. Campaigns and events are useful tools for the companies that allow enlarging the customer mass and increase the brand awareness. Particularly the special dates that women are interested in have a huge

marketing opportunity. International Women's Day, Cancer Awareness Month,

Wear It Pink (breast cancer campaign) are potentially meaningful days to promote products and attract customers. Why not to create a campaign in Breast Cancer Week and make a discount on all pink products? These recommendations have high priority to accelerate promptly in the market. Obviously this is a continuous process which should be closely followed, measured and assessed to state the effects; in addition further revisions may occur of necessity.

TASK 4 (a)

No one can foretell the future, but we can surely create one (Collins & Hansen, 2011). The research for the book "Great by Choice" began in the year 2002, when the United States woke up from its unfounded sense of safety, wealth and stability entitlement. The enraged and horrified downturn in both the global competition and the change in technology brought about the question: why do some organisations flourish in uncertainty, despite in chaos and some organisations don't? How do these organisations prosper when they are buffeted by violent occurrence or hit by fast moving or big forces that can neither be forecasted nor controlled? The book "Great by Choice" talked about the 10Xers, this is a term that is used in describing leaders and their behaviours in various circumstances. People who are described as the 10Xers were observed to share some behavioural attribute which characterised them from their comparison individuals. The three principles of success in a 10Xer according to Collins & Hansen (2011) are: 20 Mile March

Fire Bullets, then Cannonballs

Leading Above the Death Line

The first principle of success in a 10Xer is clarified by the 20 Mile March, the illustration requires the constant hitting of an organisation over a stipulated performance marked with extensive accordance over a prolonged time frame. It is a principle that requires two types of distinct discomfort:

Retaining reputation in good times

The act of discharging great performance in tough times.

La Senza adhered to this principle despite the unexpected downturn and challenges encountered in the market place. It is a principle which proved that the performance of an organisation is highly determined on the need to attract customers by providing their needs and wants and not on the condition of the organisation. The 20 Mile March is a strong principle that can help La Senza to exercise self control both in and out of its competitive environment. The second success of the 10Xers is the Fire Bullets, the Cannonballs principle, it is a principle that best explains the 10X organisations success way better. A bullet can be explained as a low risk, low interference and low cost experiment, which 10Xers uses to pragmatically validate a test. La Senza can adopt this principle as the 10Xers observed that a bullet fired cannot not be judged whether it will hit its target or be completely successful. Based on the actual validation, La Senza can then focus its resources to fire, using the Cannonball.

This will enable La Senza to make huge returns from its intensive bets.

However, the Cannonball is divided into two different parts which are:

Calibrated: The confirmation of this type is based on the verified experience, it is an actual validation that the strategy will be a success. Un-calibrated: This is based on the bets place without observed validation which can cause a huge calamity to an organisation. The third principle of success is the Leading Above The Death Line, it is a principle that greatly explain the understanding of 10Xers that future events are not consistent and can therefore not be relied on. It is important for La Senza to stay ahead of its competitors all the time, as the company cannot predict what the competitors can come up with. Before the threats of new entrants and the threats of substitutes are too high for La Senza, it is advisable to come up with rare and inimitable strategies that will always keep the designs of La Senza ahead of its competitors in the market place. La Senza should focus on targeting all the UK populations and coming out with new designs that will help attract these targets.

Works Cited

Jim Collins & Morten T. Hansen, 2011. Great By Choice: Uncertainty, Chaos and Luck - Why Some Thrive Despite Them All. First ed. New York : Harper Collins.

References

Books:

1. Johnson G., Whittington R., and Scholes K., 2011, Exploring Corporate Strategy, 9th edition, Pearson Prentice hall,
2. Joan Magretta (2012), understanding Michael Porter, the essential guide to competitive strategy, Harvard Business review press, United States of America.
3. West D., Ford J.,

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

and Ibrahim E. (2010) Strategic Marketing, creating competitive advantage, 2nd edition, Oxford University press, USA. 4. Rekom, J. van (1997). Deriving an operational measure of corporate identity. *European Journal of Marketing*, 31(5/6), 410-422. 5. Schmidt, K. (1995). *The Quest for Identity: Corporate Identity, Strategies, Methods and Examples*, Cassell, London. 6. Cheng, R., Hines, T., Grime, I.. (2008). Desired and Perceived Identities of Fashion Retailers. In: de Chernatony, L., Christodoulides, G., Roper, S. *European Journal of Marketing*, Volume 42, Number 5/6 : Brand Management. Bradford: Emerald Group Publishing Ltd . 682-690. 7. Russell-Walling, E. (2012) 50 Ideas you really need to know: Management. Published by: Lays Ltd., GB.

Online:

8. Baker, R2010, ' La Senza will push quality in plan to move upmarket' *Marketing Week*, 33, 44, p. 6, Business Source Premier, EBSCOhost, viewed 29 July 2014. 9. ' Helen Edwards' 2012, *Marketing* (00253650), p. 16. Business Source Premier, EBSCOhost, viewed 29 July 2014. 10. ' La Senza Cup size choir' 2010, *Campaign (UK)*, 48, p. 5, Business Source Premier, EBSCOhost, viewed 30 July 2014. [newspaper] 11. HASSELL, C 2011, ' La Senza's Cup Size Choir still hits just the right notes', *New Media Age*, pp. 14-15, Business Source Premier, EBSCOhost, viewed 30 July 2014. 12. <http://insideintercom.io/what-everyone-needs-to-know-about-disruption/> 13. <http://johngaynardcreativity.blogspot.com/2010/03/difficulties-of-international-sourcing.html> 14. Nielson, J.. (2013). *The Two Business Strategies: Cost Leadership and Benefit Leadership [And Where Michael Porter Missed The Mark]*. Available: <http://www.theinnovativemanager.com>.

<https://assignbuster.com/la-senza-essay-sample-essay-samples/>

com/the-two-business-strategies-cost-leadership-and-benefit-leadership-and-where-michael-porter-missed-the-mark/. Last accessed 10. 08. 2014.