

Report on koyo jeans: marketing brief

[Business](#), [Marketing](#)



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3. Introduction

There are a number of techniques involving internationalization processes that affect global trends in apparel and textiles. As evaluated in this environmental audit, significant management strategies and independent recommendations have played a part in the current market regions. Further, these changes imply future expansion in international markets that can be partial to present trends and circumstantial evidence. Evaluations based on these criteria as well as recommendations will be presented in this organized review of the topic in reference to Koyo Jeans in Hong Kong.

This brand was created by William Cheung in November 1997. He entered the fashion industry from a wholesale perspective and gained insight into the industry. He then acquired raw materials and gained insight into design concepts consistent with the best practices to feed demands at affordable and low price points. This insight gained in early years provided the foundation for successful implementation of strategy in the internationalization of Koyo jeans. It also provided the necessary perspective

and connections for Cheung for his product to be launched at a much broader level and scale than previously imagined (HBR. org).

Cheung designed for fashion lovers between the ages 18 to 35. Koyo jeans is considered an international brand because of presence in both men's and women's fashion throughout Hong Kong, France, and Canada. The brand is associated with fashion forward trends and provides a wide variety of products in many categories. They are relatively recognizable in Hong Kong and are represented by over a thousand retail establishments. Within this country there are healthy social norms for purchasing their product. This reflects the burgeoning upper middle class and a variety of tastes in fashion that are increasing in popularity and value. Overall the demand for this product is increasing throughout the sector in Hong Kong.

They regard their influence in fashion to be geared towards fashion lovers. Having an excellent sense of trends is catered to through the extensive product types and variety. Further their target audience has a taste for ideas, lifestyle or personality. With an emphasis on Asian fashion society, there are implications for the brand image on an international level as well (Koyo. com).

3. PESTLE Audit

Political: The interfacing between multinational countries requires a conducive landscape for imports in the developed countries in question. For example, developed countries like the United States, Canada and France, have significant legal regulations that promote textile import from foreign countries. The political systems in each of these nations are conducive to partnership with Koyo because of the practicality and adherence to industry

standards the brand provides.

Economic: The economic factors that affect the jean industry are complex and multidimensional. The processes that a jean brand goes through in the product's lifecycle may vary, as described. This is the result of maturing services responding to changing trends. Ultimately, Koyo is a relatively new competitor and those who purchase their products may be defining the early culture associated with their product. Economic factors driving this are significant as there are increasing brands that provide wholesale and finer retail merchandise that is cosmopolitan and integrates fashion trends. This sets populations of individuals from the brand's home country alongside those consumers from developed countries. In economically flourishing situations similar purchasing power is demonstrated and viable.

Social: Because of rising trends to universal fashion trends, there are a variety of social implications to the jean market. Trends based on the rising middle class and their changing types of jeans multiple times between a season provide details of the social benefits Koyo interacts with in the market place. The social favoritism towards low cost and high quality material provides a growing area for multiple fashion styles and varieties of products.

Technological: Koyo jeans sets itself apart based on the differences in training that their creator experienced. His versatile perspective on top down supply chain processes has cultivated two lines of products. As technological advancements continue, there will be more ways for cost to be reduced regardless of the quality brand.

Legal: The legal implications for retail and manufacturing are significant yet

commonplace in this industry. Currently, there are significant benefits to manufacturing products in Hong Kong because of complimentary legal procedures and requirements for sale within the country. With changing taxation, and labor laws in many countries, it can be difficult to assume certain aspects of importing procedures amongst developed nations will change. Currently the landscape for jean production is a changing one that requires constant attention to the needs of customers as well as government regulation.

Environment: The environment of jean related industries has been changing drastically since the means of internet distribution. Online shopping experiences and ecommerce whether it be directly with the consumer or through the organizations distribution channels, there are far more audiences that can be reached in online merchandising.

4. Environmental Audit (Current markets)

In this audit of environmental characteristics, it is possible to determine other retail forces in the same space. This information is used to validate the need for choices in a recommendation as well as further international development throughout new countries. It also elucidates the environmental impact of other similar organizations and the strategies that can be adopted for maximum impact. Finally, a variety of entry modes will be discussed in terms of their particular significance to Koyo Jeans.

- Detailed SWOT/TOWS analysis
- Lifecycle analysis

Within the retail industry, jeans have a unique lifecycle. First, there is development where users or buyers are few and adopt the material in its

early stage. At this point there are few competitors. During the growth stage that is next, there's a larger number of adopters that try the product or service. At this point it is possible for competitors to operate through the space as well as to achieve similar trial. They also begin competing what people may expect for shares and values the customers. After development and growth, there is a shakeout. This is where customers grow in their selectivity and the weakest competitors are removed from the playing field. This might be likely for price-cutting volume, or many other reasons involving competitive advantages after shakeout, there's a phase of maturity. At this point users are saturated and there's a growing reliance on repeat purchasing power. It can be difficult for new organizations to gain or take that share this point. Finally, this process emphasizes the use of efficiency and low-cost methods in order to maintain their strategy. After this phase, the jean industry lifecycle presents decline where users stop using the product and some competitors next leave the space. This culminates in selective distribution of each type of Jean and presents a unique marketing standpoint after the lifecycle has processed (Levi).

5. Internationalization • External Analysis (new host countries)

Within new client countries and venues, there are a number of competitors that must be assessed in terms of their value and presence in the space of denim and clothing manufacturing of this variety. European counter parts include Diesel, Levi, Enorgie and Calvin Klein.

Canada is a relatively new host country and represents access to a population of nearly 35 million people. Canadian brands include Buffalo, Parasuco, Point Zero and Fidelity. Because of the upswing of economy and

culture within Canada there is significant evidence that providing Koyo jeans in this country would be well suited. They are politically stable, are culturally adapted and have a heavy demand for the products this organization caters. France is the final addition to Koyo in terms of their European expansion. With a population of 65 million people, a great majority of the population is between the ages of 15 and 65. Overall there have been strides in increasing the enterprise within textiles for this nation. In order to supply a rising demand for such products in France, it is beneficial for Koyo to engage its services there. Further, the franchise model would implement the maximum benefit with the least repercussions in terms of top to bottom supply chain incentive. Another reason Koyo would succeed in France is the implementation of its brand image and strategy.

- Macro, micro and lifecycle

There are a number of products that Koyo makes that can be compared to other manufacturers. These include t-shirts, shirts, jackets, trousers and jeans. The Macro environment is defined by PESTEL, while the micro environment is related to Porter Five's force (Hkexnews. hk).

- Evaluation of National Competitive Advantage

Overall Koyo Jeans has a great national advantage. This is because there are a great number of ways that people in Hong Kong react to the brand and favor it in terms of its quality and brand image. Still, there is little traction in other countries for this brand just yet. The national competitive advantage is furthered by Hong Kong preventing the taxation and excise for trade. In addition, there is significant political support from the government. These aspects create beneficial business processes for Koyo to operate from their

nation of origin. Further, customers in Hong Kong are constantly looking for new trends and reflect the tastes of a diversified, and multinational audience. In this sense, the internationalization of Koyo Jeans has already begun with their national advantages.

- Evaluation of mode(s) of entry (Suitability and feasibility)

There are number of routes that be taken to enter the market for Koyo jeans in other countries. One way is for their distribution channels to be augmented. This means marketing the jeans through methods outside of including single retail environments for their success. Implementing these strategies could take significant time but may allow for consumers to compare their product to other manufacturers and for Koyo to gain visibility as a brand.

Currently Koyo Jeans are successful because of their presence in proprietary and franchised stores. Their brand is in the process of gaining traction both in China and internationally. This is further cultivated by the use and presence of wholesale distribution as well as premium quality apparel (Gomes).

Some modes of entry into markets abroad would be creating new proprietary stores. Since there is already an expanding presence of Koyo in Canada and France, it is possible that building stores in other cosmopolitan cities will help build brand awareness and recognition. These efforts would be most beneficial in international hubs like Tokyo or New York City. Ultimately building propriety stores win these countries would be highly suitable to the mode of entry for a high priced designer brand. The feasibility on the other hand may be questionable since there are significant costs associated with

creating new stores in these retail spaces. However, the long-term impact is significant enough because of Koyo's strategy towards internationalization. Therefore, the benefits and rewards would outweigh the cost.

6. Conclusions and Recommendations (including pros and cons)

In conclusion, there are a number of pros and cons associated with the expansion of Koyo jeans into other countries. Some pros include the heightened use of international demand to fuel supply productions for the brand. It also would imply the greater brand recognition of Koyo that can benefit the company as a whole. With emphasis on future expansion, these efforts could level Koyo amongst competing brands that have been established extensively in the past. Finally, the benefits of expansion will provide a greater footing in countries like Canada and France where captive audiences may be waiting. It would further allow the cultivation of a low cost, high quality demand for marketplace efficacy in these countries.

Koyo jeans had significant renovations in their strategy and techniques for several years. These decisions must reflect the best interest of the product. This could mean expanding, but most specifically requires the company to look into serving populations that have a great number of individuals and increasing demand.

There are some negative implications as well that are provided through this market analysis. For one, the relative growth trajectory is unclear for Koyo jeans. This is due to a variety of factors including the presence of two separate production lines, stand alone systems and limited pools of talent in order to gain expertise about the specific nature of this brand. Due to the evaluation of premium and wholesale quality textiles, there must be a

multidimensional approach in order for the success of Koyo to continue to expand.

The choices that the brand presently faces are whether to maintain the status and presence in Hong Kong and abroad, expand the brand, or improve it. While in conjunction these will be highly effective in maintaining a resolute market position, there are significant challenges to these undertakings.

Some benefits of brand expansion are additional revenue streams or the opportunity for growth through different channels. This can be demonstrated through marketing in major department stores as well as creating additional product lines. By implementing such strategies it is possible to create the fastest plan for growth possible.

However, there are some negative aspects to this plan as well. Cons include increasing the production capacity, diluting equity the brand currently has, losing control over the ultimate brand image, or potentially negatively impacting the relationships between franchise vendors.

Some ways that Koyo jeans can improve their performance include removing wholesale operations and expanding into fashionable markets. This involves creating an international strategy for expansion that includes online shopping. Designing this experience as well as improving infrastructure will benefit operations and continue franchises expansion plans currently in Asia and abroad. One useful mechanism would be integrating production or inventory systems into the software application. This could improve forecasting for Koyo jeans as well as lower the overall lead-time while creating insight into trends within sales and marketing areas. This goes hand-in-hand with an e-commerce solution that would provide a meaningful

shopping experience through their online store. By having e-commerce and designing a well-intentioned customer based experience, it is possible to expand the brand awareness and test out the commercial value of products in new areas. Further, it'll be possible to expand these brands to proprietary stores and prove the need for improvements through capital. Other benefits of e-commerce include expanding to potential markets and providing an experience that allows for people to recognize Koyo's brand without necessarily entering the store. Is particular useful for people located in geographic reasons where there are currently no physical stores (Gomes). In addition to expanding to Canada and France as described, it will be beneficial for Koyo to build two new proprietary stores in major cities. These efforts would allow for a branded store experience through major hubs for sales and distribution. Two examples of storage expansion that will be recommended our New York City and Tokyo these are expanding and highly fashion for cities with large communities that feasibly allowed expansion of major brands. A highly developed expansion plan would involve steps such as eliminating the wholesale brand image, integrating new software, and expanding stores to major cities such as Tokyo or New York City (Coventry. ac. uk).

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