El's analysis

Business, Marketing

Elie Saab case analysis affiliation Elie Saab Case Analysis The fashion industry has numerous and aggressive competitors. Luxury fashion has been a competitive market for many years as new entrants seek new and effective strategies in which they could introduce their products in the market. In the case of Elie Saab, her clothes were an exceptional inclusion in the market. The company grew in stature after the productions by Saab gained global recognition. However, Saab needed strategies that would but the company in a position in a competitive position. The developed strategies required a lot of financial resources but the group was keen to implement the changes. The changes included increasing the activities of the group and opening up store in new markets such as Asia and increasing the exposure in Europe (Richard Ivey School of Business, 2012).

The advantages

One main advantages of implementing the new strategies is the fact that the group increased its competitive advantage. Other luxury companies such as Hugo and Armani have in their strategies other activities such as accessorizing their clients. Additionally, these companies have worldwide store and distribution channels. By implementing these strategies, Elie Saab ensured that their clients have a variety of services to choose from. Additionally, increasing their market and distribution stores to Asia and Europe increased their sales significantly (Richard Ivey School of Business, 2012). This was observable in the sales recorded in 2008 in which for the first time Asia recorded percentage sales in its products (Richard Ivey School of Business, 2012).

Elie Saab also benefits in the implementation of the new strategies by the fact that their contacted with other organizations before increasing its market exposure. This enabled the organization to share the risks that may be generated in the new markets. Additionally, contracting with other organizations ensures the group generates fresh ideas thus maintaining market relevance. The decision to brand valuable products with the organizations logo was crucial in ensuring the brand retains its originality (Richard Ivey School of Business, 2012).

Disadvantages

Venturing in to new markets exposed the company to numerous risks that may have long terms effects on the organization. Before implementing the new strategies, Elie Saab focused its attention small and limited stores in the Middle East, America and Europe. Additionally, Saab focused on creating high profiled clothing, Haute Couture. With the new suggestions, the organization seeks to increase its creation of ready to wear clothing which means that the organization has to struggle to make a market impact on its new products (Richard Ivey School of Business, 2012).

Additionally, Elie Saab is facing a huge financial burden generated by their efforts to create new products and increase their market connectivity. If the finances in the organization are not effectively managed the group could be bankrupt. By contract with other organizations, Elie Saab increased their exposure to risks (Richard Ivey School of Business, 2012). For instance, their bid to contract with a construction company for the purposes of creating new stores in the UAE and London may expose them to the risks faced by the construction industry.

Elie Saab is forced to increase its management depth to handle the numerous changes they have implemented. This is dissimilar to the management strategy that only required management to particular stores and creation of luxury clothing (Richard Ivey School of Business, 2012). Elie Saab has to increase its management depth in order to effectively incorporate other factors such as construction and store management.

Reference

Richard Ivey School of Business. (2012). Ellie Saab: Growth of Global Luxury Brand. London: Ivey Publishing.