

Retail management essay sample

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



Baleno's story can be traced back to 1981, established by young fashion experts. "BALENO" was registered in Hong Kong in 1996 and established Baleno Holdings Limited as the holding company. With successful rebranding tactics and marketing strategies, Baleno expanded its network rapidly across Asia.

Baleno understands that no single brand can serve all customers. So Baleno wisely makes use of multi-brand strategies and its rich apparel-retail experience to penetrate different markets. By building up a chain of direct operation shops and encouraging partnership with authorize dealers; Baleno is a leading specialty retailer in Asia. Today, the Baleno group currently operates over 10 brands in more than 10 countries.

Since China had lifted restrictions on the operations of foreign retailers as part of its WTO agreement. It provides more freedom to retailers to enter the China market. Retailers can choose where to locate their stores and they could also open their own stores without the need for a joint venture partner.

Baleno entered China market in 1992. Initially, the management used a similar business model as Giordano did. Using the "me-too" approach, Baleno quickly opened stores right next to Giordano's. This "follower strategy" enabled the firm to enjoy the benefits of low risks, cost efficiency and high traffic. In 1998, Baleno overtook Giordano in terms of sales revenue and brand awareness, making it the leader in China's fashion market.

1. 2 Baleno marketing channel level

Baleno is using indirect marketing channel, uses more than one level of intermediaries to help bring its products to final buyers. Though their contacts, experience, specialization and scale of operation, intermediaries can offer the firm more than it can achieve on its own.

Baleno had strong financial backing. Baleno's parent company of Texwinca Holdings Ltd was one of the largest companies involved in the production, dyeing and selling of knitted fabric in Asia. Fabric production, garment manufacturing, dyeing and bleaching and casual wear retailing were vertically integrated within the group, resulting in lower costs and economies of scale. The establishment of its Dongguan factory and its investment in advanced production technology had ensured a stable supply of products to its outlets and helped reduce transaction costs in distribution. Also, Baleno had ten regional distribution centers in China.

1. 3 Mission and Vision Statement

Baleno decided to build a strong brand image which customers would associate with “ Value-for-money”, “ Innovation”, “ Simplicity”, “ Trust and Respect” and “ Service”.

Value-for-money

Baleno provides quality clothes and comfortable shopping environment to customers
Innovation

Baleno encourages staff to think out of the box – creativity is encouraged
Simplicity

Baleno streamlines the process by keeping it simple and effective
Trust and

Respect

Baleno promotes mutual trust and respect

Service

Baleno emphasizes customer service as its top priority attitude

Baleno positioned itself as “ value for money”, offering mass apparel design, quality clothing at competitive prices, superior customer service and a comfortable shopping environment. Simple, clean and natural lines were popular then. Consumers increasingly desired their own personal style, preferring to mix-and-match clothing for themselves. They also demanded quality service from frontline staff, garment alteration service and goods returns and exchange. Attractive window displays, interior design, lighting, merchandising layout, and background music also contributed towards a comfortable shopping environment for consumers to promote a image of “ simple living attitude”.

1. 4 Target Market

Baleno was target middle-class consumers between the ages of 20 and 40 years. This group formed 50% of the market. They were increasingly sophisticated, demanding higher quality, variety and innovation from retailers. These consumers were relatively young, well-educated, had discretionary purchasing power and aspired to a better life.

They seemed to prefer foreign-made or foreign brand apparel since they were more influenced by fashion and liked to try new products. They considered symbolism to be important and were less sensitive to high prices.

Their sense of fashion was highly influenced by European luxury brands and by Japanese style and pop culture to a lesser extent.

1. 5 Competitors

The casual wear market was entice more and more competitors to join, since the removal of restrictions on foreign retailers at end 2004, the industry saw a dramatic increase in apparel supply for the mass market and the fast penetration of domestic players which led to intense competition in the mass casual wear sector. Not only had the number of foreign investors increased strong local competitors with Western quality management and marketing skills had also emerged.

The major popular domestic competitors of Baleno are Bossini, Jeanswest, Giordano, Esprit, Theme, Crocodile, and Goldlion, which is a brand of young and local fashion trendy at the reasonable price. These brands made a strong brand of loyalty. On the contrary, the Baleno is total confuse as compared to them. Their success was mainly attributable to their competitive pricing, extensive sales channels, especially in the second- and third-tier cities.

Suggestion – Multichannel

Since the physical store of Baleno was being decrease in this recent years, and the customer buying behaviors was changed. E-Commerce is very import phrase in this contemporary world. Nowadays, Internet provides a new retail format, usurping the traditional dominance of fixed location stores. It performs a supporting role for existing marketing activities. Internet

retailing has experienced explosive growth in China and it is the most effectively way to proving a quality experience in recent retailing environment.

Thought e-commerce, we believe Baleno can easier to reach the target customer. It brought success, evolution and innovation for the great achievement of Baleno to become the largest enterprise of fashion-retail in the future.

Baleno's major competitor, Jeans west is also having a third party e-commerce platform that provide consumer-to-consumer or business-to-consumer service that help small and medium-sized enterprises and individuals conduct business online. To enhance Baleno's competitiveness, it should use multi-channel which includes traditional stores and offer online shopping services.