

Dry cleaning industry research



**ASSIGN
BUSTER**

Contents

- Aggressive marketing

Consolidation in the Dry Cleaning Industry

Consolidation is a common phenomenon in many industries. Industries go through the consolidation process in an effort to take advantage of available opportunities and improve their competitive advantage (Thompson & Martin, 2010). In the dry cleaning industry, for example, such opportunities are caused by market factors such as regulation, globalization, consumer taste and technology (Goldenhar et al., 1999). Unfortunately, consolidation efforts in the dry cleaning industry have not been successful.

One of the problems facing the dry cleaning industry is the persistently diminishing demand for the service, and this has seen the industry shrink by the day. Some of the factors that have led to this poor performance include unemployment, a weak economy, unhealthy competition, and the advent of clothes made from materials that do not require to be dry-cleaned (Neghina et al., 2017). Many people are no longer interested in the service.

Geographic scope of the market

Another problem is the high cost of labor in the industry since the dry cleaning service is rather rigorous. As a result, intensive training is required for the staff; hence with high employee turnover rates, it becomes difficult to operate or even consolidate the industry as happened to the Boston-based dry cleaning company, Zoots that had intended to transform and consolidate it.

Also, there is the problem of the geographic scope of the market. Since the dry cleaning market is mainly driven by convenience, consumers tend to go to the nearest dry cleaner whenever they need the service. This makes the service difficult to consolidate since it is only available to the people within a given locality.

Standardization and other strategies

To help in the consolidation process, players in the dry cleaning business have attempted to come up with various strategies geared towards transforming the industry. One such strategy is the injection of a reasonable amount of capital. However, if the massive capital is not utilized appropriately, it may go to waste. Considering the minimal level of market segment concentration, the dry cleaning industry requires exceptional strategy in terms of capital injection to ensure appropriate generation of revenue (Thompson & Martin, 2010). Zoots, for example, injected \$40 million but it ended up being unable to operate in the service-intensive market segment. Instead of investing too much in staff and equipment, the capital could go into marketing and technology. This strategy can help in retaining existing clients, eliciting interest in more, and applying up-to-date technology, and therefore, making consolidation efforts fruitful.

The other strategy is standardization. Players in the industry endeavor to offer the dry cleaning service in the most convenient, reliable and right manner at a reasonable fee. This is a good idea. However, the dry cleaning industry is highly fragmented with most of the companies being owned by families and operating within certain localities (Goldenhar et al., 1999). This makes it difficult to standardize and consolidate the service. The

fragmentation needs to be addressed if standardization is to become possible. Since the service is rigorous and the market segment rather limited geographically, the players in the industry need to come up with their regulations governing the delivery of the service within the various geographic scopes. In that way, standardization of the service will become a reality and consolidation possible.

Alternative Solutions

For the standardization and consolidation efforts to work, there is a need for alternative solutions. One such solution is the application of new technologies to ensure intensive marketing of the product. It is high time dry cleaners realized that dry cleaning services are not as popular as they used to be over twenty years ago (Neghina et al., 2017). They should stop assuming that every person knows what they do, move out there and make people view dry cleaning as a necessity. Currently, for instance, dry cleaning is viewed as a boring luxury (Neghina et al., 2017). With the technological advancement in communication, dry cleaners can use social media platforms such as Twitter, Facebook, Instagram and Pinterest to draw the attention of current and existing consumers so as to make dry cleaning fun all over again for all, irrespective of social class.

Additionally, to minimize the loss of clients, the players in the dry cleaning industry need to come up with comprehensive customer-retention programs, such as discounting and follow-up programs, which would come in handy in maintaining the loyalty of customers. It is important to note that for standardization and consolidation to be successful, there has to be a loyal

customer base. Without this, business becomes difficult for the contemporary entrepreneur.

Aggressive marketing

First, the industry players should open up aggressive marketing platforms to inform the people about dry cleaning services and encourage them to visit the dry cleaner as enthusiastically as they visit the grocery shop. This can be done on the social media.

Also, they should follow up to find out the level of consumer satisfaction and make improvements where necessary. Questionnaires and structured interviews can be used to collect the relevant information.

References

Goldenhar, L. M., Ruder, A. M., Ewers, L. M., Earnest, S., Haag, W. M., & Petersen, M. R. (1999). Concerns of the drycleaning industry: A qualitative investigation of labor and management. *American journal of industrial medicine*, 35(2), 112-123.

Neghina, C., Bloemer, J., van Birgelen, M., & CaniUls, M. C. (2017). Consumer motives and willingness to co-create in professional and generic services. *Journal of Service Management*, 28(1).

Thompson, J. L., & Martin, F. (2010). *Strategic management: awareness & change*. Cengage Learning EMEA.