

Competitive strategies of esprit essay



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A good competitive strategy does not only focus on the making strategy of company itself, but also have to emphasis on creating a competitive advantage over competitors. A company should first perform a detailed situation analysis (e. g.

SWOT Analysis) and competitor analysis. In addition, a company would also need to analyze the macro-environment of the related industry using the model such as Michael Porter's Five Forces Model.

After all, the good competitive strategy developed should be best " fit" the company objective, positioning and thus creating profitability and sustainability which enables business to survive against the competition over a long period of time. Esprit Holdings Limited engages in production and retail of clothing items and related accessories in more than 40 countries.

The industrial competition is intense as there are many well-established brands in the world such as H; M and Zara. To deal with this situation, Esprit formed the competitive strategies such as using product differentiation to diversify its customer base and differentiate from its competitors.

In addition, Esprit has also introduced the distinct sub-brands " de. orp" and " edc" which have a clearing defined and distinct brand identity apart from that of original Esprit to increase the market share by widening the customer bases. As a result of its effort, it made a significant turnover which accounted for 25. 6% in FY2008 and 26. 94% in FY 2007 respectively.

Therefore, it can show that Esprit has successfully created a competitive strategy which fit the company and sustain its business.