

# L.I. bean case analysis

Business



How successful has L. L. Bean been? L.

L. Bean has been emerging as the market leader in mail-order companies that are specializing in outdoor apparel and equipments. As recorded by the company's Customer Awareness Survey, it is the most well-known mail-order company setting the pace in the market with the reputation of having efficient delivery of good quality goods to the customers. From 1976 to 1980, the number of new L. L.

Bean customers had been increased to 650, 000; by 1980 sales had risen to over \$120 million. 2. What are the reasons for L. L. Bean's success? a.

Clear company positioning and strict compliance to that positioning: L. L. Bean provides high quality outdoor wears at fair price with great customer services. b. It treats its customer with genial care and consideration like treating them as friends and neighbours especially with its free shipping and handling fee for customers' convenience; c.

Staffed with professional personnel d. Great effort in marketing management and the notion of using 'word-of-mouth' as one of the marketing idea is really effective 3. What is happening to the business, both positively and negatively?

Positively: the sales have been increasing after years of operation and innovation; increasing amount of inquiries from across the country and international distributors to invite L. L. Bean to conduct their business there.

Negatively: The transitional period when the company suffered from shortage of young talents, out-dated technology and slow growth; the successors-the next generation of the Beans will not be able to step into the <https://assignbuster.com/ll-bean-case-analysis/>

business in the near future which can result the imbalance of management; the growth of new customers has not been significantly high 4.

How would you respond to the questions Mr.

Gorman poses at the end of the case? To avoid falling into being a money-crunching company, L. L. Bean should always keep steady in the course of being a loyal and honest company to its customers that will always provide high quality products at right price to satisfy their needs—just like what L. L. Bean has been doing: treating customers like a personal friend.

An enterprise is in the market for profits but if it will not lose sight on what keeps its existence in the market, it will definitely 'keep the magic alive' for long. 5. Which, if any, new avenues for growth should L.

L. Bean pursue? International development: L. L.

Bean should keep the same operational ideology across the US but negotiate a different arrangement in other countries since the demographics and the buying preferences are different. In terms of whether to sell primarily through retail stores or through mail-orders, because mail-order has been L. L. Bean's most competitive strength all along and it can save many overhead costs, I personally suggest in the first stage of implementing business in other countries, mail-orders should be the main means to approach customers.