RETAIL MARKETING PLAN FOR FARFETCH HIGH-END CLOTHING COMPANY

Name:

Institution:

Date:

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# Executive summary

Farfetch is the UK manufacturer of luxury cloth line targeted at both the males and females of all ages. Farfetch develops the fabric line and supports its promotional and advertising campaigns. The company has an aim of increasing its retailer's base in Kenya by bringing the brand awareness. Farfetch has the initiative of marketing its cloth line as the best option compared to other existing fabric lines. This will be achieved through developing sale and marketing strategies, exclusivity and brand awareness. Farfetch mainly bases its products on fashionable, elegant, multipurpose and luxurious clothing. The Farfetch company's advertising plan is diversified, and it encompasses a variety of marketing communications. Shortly the company intends to come up with lines of unique accessories. The company mainly uses an online platform to bring the best fashion world to the UK. Farfetch aims to go global and establish its branch in Kenya. This will be in line with its agenda of brand awareness around the world. The primary purpose of conducting a study reveals the company's retail expansion plan and the implications in the new market.

# Introduction

Farfetch intends to develop on its center assortment of products and overcome the constraints of entering a new market. The company's strategy is to make an irresistible bang on the retail industry and develop a large customer base for its products regardless of its competitors. In the coming 2-5 years, the company wants to have established a powerful brand name and also venture in a new line of producing jewelry, luxurious wears, beddings and body perfumes (O'cass 2014).Farfetch has developed a strategic relationship with Music and entertain groups to gain exposure for its brands and to associate its products with the celebrities. The celebrities get free clothing when doing concerts or shooting music videos.

Upon entering the Kenyan market, the brands will be sold at a high-end price to reflect their uniqueness, exclusivity, and quality. The business also intends to use unique materials including a wool blend, high-density denim, and cashmere. After the values place a markup on the Farfetch products, the consumers in Kenya will be willing to purchase because of the value and guarantee of the product of quality (Shishoo 2012).The Farfetch will mainly focus people of all ages but emphasis to be put on people of ages between 20 and 40 years. The sales are driven by the population trends, prevailing economic conditions, and the pricing methods. Fashion plays a profound role in the market demand. Sale of the Farfetch products is exceptionally high at the retail level.

The main competitors for the Farfetch brands are Mulberry, Paul Smith and Polo Ralph Lauren who deals with latest collections in both women's and men's wear. Few deliverables will be allocated to ensure this business plan a success. The development of a logo design and the trademark for the brand will be the first steps. Farfetch will also blueprint the clothing and have them produced by a Kenyan manufacturer. One the company sets up its business; they will need to design a proficient website which is easy to use and access to promote the name of the brand. The marketing mix will be carried out by the use of social networking sites and other appropriate online methods (Khare 2013). The management will ensure that records of all finances are kept and analyzed in a statement of financial position, cash flow statement and profit and loss account. This report will explain the topics incorporated in coming up with a Farfetch clothing brand in Kenya.

# The current retail marketing strategy

Farfetch targets males and females especially of the aged between 20and 40 with a total income of more than 20,000 Euros. This group contains customers who have diverse backgrounds. The Farfetch company customer is any individual willing to pay a higher price for the luxury clothing. The business's target group is portrayed to be having an excess disposable income to be spent on high-end clothing. However, much of men's clothing are expensive than women and thus require people with up to 40,000 Euros disposable income. As the growth declines in the mature UK clothing, companies are going overseas in search to expand their businesses. The UK brands are well known in the international arena, and many developing nations are willing to purchase UK quality clothing. The International focus on business has become the objective of Farfetch company. Many clothing companies see Africa as having great potential for their products ( Jovicevic 2014).Polo Ralph Lauren is an example of one such fashion and apparel company. It has expanded its retail outlets in Vietnam and Spain. However, the expansion to African countries and other parts of the world is underpinned by economic troubles.

Farfetch plans to use the Internet, direct sales force, and the retailers to enable it to get in touch with the markets. These mediums are the most suitable because of minimized capital requirements and time to market. Once they arrive, the clothing will be put in a consolidated warehouse before the company acquires its own (Guercini 2012). Many clothing manufacturers have transferred their operations outside the UK, but Farfetch plans only to take the retail market to Kenya. In the marketing strategy, the 7Ps methods will be used as outlined below.

## 1. Product

It is important to offer a product that will be accepted by the customers. Successful businesses will first do research on what the client need then come up with their products. Products must meet the quality desired by the customers (Chen 2016). A clothing line, in this case, is not an exceptional because the product must match the quality.

## 2. Price

The product is manufactured because the customers are able and willing to pay for it. The price should not be the cheapest. The pricing strategy must also give a profit to the business. It is only marketing that brings an advantage because everything else is cost.

## 3. Place

The place to sell the product and the medium of distributing it should be convenient and appropriate. The product should be availed to the customers at their preferred time and place. Delivery is a right combination when developing a marketing strategy.

## 4. Promotion

Promotion is aimed at giving the customers the purpose of buying the product. It is also the only way that a business tells customers the product it deals with. It enumerates advertising, PR, sales management and the exhibition (Hong 2011). The employees should also have knowledge of the product to enable them to share with the customers

## 5. People

The progress of the brand in the market rests in the hands of the citizens. The must be treated well to maintain the culture of buying that brand. This may be done by giving after sale service, free samples. People determine the purchasing power of the product.

## 6. Process

The whole process of marketing a fashion cloth is vital as it leads to the satisfaction of the customer (Reyenolds 2008).The client interests are on how the system of the business works. For instance, do the readers have to wait and are they well informed about the magazine.

## 7. Physical evidence

A service is intangible, and thus it is seen as a risk. The new customers can see the samples of the products, and they will gain the confidence to purchase The clients of the Farfetch products will need to be shown what they are purchasing.

# Competition

The clothing industry is mature and a fast expanding. However, it reigns in the vibrant and competitive environment. This company's primary objective is to increase profitability. Therefore, they are aligning their market structures and adopting new technologies to enable them to survive in this competitive business environment. Larger companies have gained leverage in cost reduction and marketing position. In the clothing and fashion market, businesses can act as both retailers and manufacturers (Taplin 2002). Tommy Hilfiger sells its products to both the consumers and the retailers. In a market where there are the great marketing and advertising campaigns, developing a brand name is very crucial. Brands have become significant in today's apparel industry.

Many of the consumers have limited time to spend in shopping and are spending their income more sparingly. Therefore, establishing brand names bearing their image of quality has improved the shopping experience for many of the consumers. Farfetch name is already a competitive advantage itself ( O'cass 2014).The company's marketing strategy is another competitive advantage. The company uses advertising, giveaways, celebrities and promotions to develop its existence in the market. By using retailers to sell its products, most of the marketing is done in-house. The Farfetch company also plans to use the Segmentation, Targeting, and Position (STP) approach in its marketing strategy.

## Market segmentation

The Farfetched company will aim at using a market segmentation approach to shield it from the competitors in the fashion marketing business. The market or the audiences are broken down into their demographic categories. In this category, the analysis is based on age, gender, ethnicity and marital status (Hong 2011). Demographic segmentation has an advantage in comparison to its competitors.

## Market Targeting

This is needed to assess the commercial attractiveness of Farfetch products in contrast to its competitors. The market should be huge enough to rationalize this segmenting. Farfetch company aims at differentiating its products from those of its competitors. The proceeds from the sales must also exceed the real cost of producing the garments.

## Market Positioning

A positioning map is crucial to this type of business. The audiences lack access to a fashion shop, and this is a market opportunity (Guercini 2012). A positioning map is sketched to show these patterns and identify the gap to fill by mapping the competitors on the matrix based on the key factors which determine the purchase

# Overall marketing plan

## Market entry

Farfetch plans to set up an international store in Kenya as a part of the expansion strategy. This method is commonly followed by fashion labels and other designer brands. The company decides to open one or two stores in different major cities in Kenya. The company might also choose to invest in an established business in the Kenyan market and obtain a minority stake (Khare 2013). The company will open a showroom for its brand to promote its brand and use the opportunity to reduce the possibility of risk and get a full dominance of the market. To Farfetch the foreign stores will serve as an internal expansion plan and will use it to manage all its international operations

## Marketing objectives

The high-end clothing stores value profit maximization as their major goal of the process. The target market requires high-quality products, and they can pay an extra for it. The goals of the company remain to be business objectives.

### 1. Filling the stores

The Farfetch company aims at filling the store with high-end clothing. The clothing should have a price tag on them and meets the quality standard that is preferred by the consumers. The high-end apparel is mainly made by professional designers (Hong 2011). Clothing stores should have at least 50,000 Euros to help in the purchases.

### 2. Exhibit of the garment image

The company needs to show off the clothing image in the decor. The decorations should not have a cheap feel. The location of the store also portrays the image of the brand. A clothing store found in the capital city will have more varieties of apparel compared to a warehouse in a small town.

### 3. Advertising to the product market

Farfetch should advertise to the target group to maintain the customer's loyalty and to increase the brand awareness. A clear outline of the client should expect in the stores should be necessary. Lower advertising methods should be avoided like poorly printed banners.

### 4. Offering more to customers.

To show loyalty to their clients, they should offer more to their clients. This may be in the form of providing a glass of wine to those coming to buy clothes and other goods. Other services are special orders and in-store tailoring (Chen 2016). Upon entering the store, the customers should feel welcome and appreciated for her presence.

## Market programs

The marketing programs will involve the allocation of 10,000 colored flyers one month before the grand opening of the event. Apart from that, the company will also conduct advertising in the social media and the press for the grand opening of the new stores in Kenya. This is in its aim to capture a large customer base. On the same day of the grand opening, the customers can start making their purchases instantly. The company targets at least a turn up of a crowd of more than 5000 people (O'cass 2014). The company has identified a sub-sector of the clothing industry in Kenya. The company, therefore, need to appoint an agent to register as a foreign company. Many external countries operating in Kenya do business in their name.

## Implementation of the strategy

The Farfetch company will implement a strategy that will ensure the continued growth of its project overseas. This strategy will revolve around;

* By focusing on the target customers and doing aggressive marketing for the variety of apparel collection as a substitute to the already existing cloth lines.
* By distinguishing the products of the company through the brand awareness and exclusiveness
* By establishing a business which fosters the relationship with the customers
* By ensuring social responsibility within the company by being committed to programs that change the lives of his clients these efforts are geared towards the Corporate social responsibility (CSR).Farfetch donates 5% of all the proceeds to charity programs.
* By establishing partnerships with the competitors to counteract them but treating them as allies.

## Budget and Control

The financial plan of Farfetch company will be moderate, and the cash balance will be positive. The overall estimated budget will be 100,000 Euros. This will be inclusive of hiring workers, renting the store and display rooms among other startup costs. The budget is subject to indirect costs and other miscellaneous expenses. The company will have to consider things such as the steady income and the job security. The cost of manufacturing will fluctuate depending on some factors, but everything will have a different price. Every item requires a model before undertaking the real production (Khare 2013). Certain products will require more planning because of the complexity in nature of the product. Farfetch men's clothing like Jeans trousers is expensive because the cost of production is higher than those of women. Each garment has its cost of production which is very distinct from the other. Production costs only represent a small portion of what these products retail for. Budget considerations when undertaking a retail business is essential (Shishoo 2012). A brand that has its cost of production more than 30% will sell at a price to cover the production cost than profit for the dealer.

Conclusions

The issues mentioned above need to be dealt with in the fashion sector for it to realize its potential. Many fashion clothes companies have the capacity to meet the desires of the customers, but they lack professionalism to fulfill these. That is the reason their products rank poorly with the competitors. The study further concludes the fashion retailing sector to address the training gaps, skills and industry standards. Farfetch company plan to expand in Kenya will transform to an increased productivity of the company, improve the company's image as the leading seller of high-end fashion clothing. For Farfetch Company this business expansion is a prudent strategy and should be implemented.

# Recommendations

1. The research recommends the creation of a designer innovation hub which can come up with high-end prototype clothes for Farfetch Company. This hub must use experts to meet the production needs. This center will give sustainability to the fashion manufacturing sectors.

2-To ensure that the business flourishes in its new retail strategy, a lot of considerations will be considered. The company should provide a healthy competition in its new environment, maintain quality for its products, observe the ethical conduct of business and undertake research on the current trends in the market to cope effectively

# Appendix

## Country Analysis

Kenya has untapped potential in retail marketing for high-end clothing and fashions. Currently, the state offers a sector which lies in the Cut, Make and Trim. To unpack this potential, there is need to implement Full Package Service Providers (FPSP).There also exist a gap in the fashion clothing which needs to be tapped. The demographic segmentation of Kenya offers an attractive market for most of the population being youths.

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