Marketing Plan For Hollister In China

Introduction

In total business plan, marketing plan is the most significant part. Marketing plans that are well documented is considered to be the foundation of appropriate marketing. Without a proper marketing, plan marketing will be like walking in a strange path without its map. It includes the planning for the company's products and services that they will offer to its customers, suitable price for those selected products and services covering all the costs and profit margin considering the target market, a place where the products meet its customers and the promotion technique to establish the product in the market (Woodall, 2017). This work presents the establishment of a new market by Hollister Co. which is an American lifestyle brand.

Marketing plan for Hollister in China

A company's overall marketing endeavor is summerised by a complete documentation of its marketing plan. Marketing plan is a draft that directs a company's implementation of marketing strategy, and it is an arrangement of resources to accomplish business objectives including sales targets or customer acquisition (Cateora, et al., 2014). A company's overall marketing effort is demonstrated in a proper marketing plan. A well-documented market plan can serve half the work of establishing the company to a new market (Zikmund and D'Amico, 2012). A well documented marketing plan helps Hollister to meet specific customer need or demand in China identifying their marketing choices in terms of price, product, promotion, and place. Hollister's strategies and practices to apply the right marketing plan in china are discussed below.

Product

Products and services are produced and served by the manufacturing companies and service providers to satisfy certain customer group that is targeted by that company. Products are tangible and services are intangible. Hollister make sure to provide the right type of product to its customers. So, to make sure the perfect product Hollister goes through extensive research on the life cycle of the product that they are inventing during the product development phase. The growth phase, maturity phase and the sales declining phase are certain for every product's life cycle (Kotler and Armstrong, 2016). Hollister stimulates more demand once it reaches decline phase of the existing product by reinventing their product. Hollister also provides the right product mix to the youngsters of China. Hollister may act wise by expanding their present product mix by diversifying and increasing the depth of their product line.

Price

The price is the value that the customers pay in exchange for the product. Price is one of the most important components of the marketing plan. Hollister determines its price in China on the basis of its profit and survival in China. Price adjustment to products impacts largely to customers demand and it affects the sales as well (Cohen, 2016). It changes the entire marketing strategy. As price is very much sensitive to customer's demand Hollister cannot

change it overnight in Chinese market as it is a new entrants in China and has not grab the customer’s attention yet. Moreover Hollister’s target market may not be willing to pay high price at the very beginning of its entry to the Chinese market. Customers may be willing to pay high prices in future after getting quality products and services from Hollister. So, Hollister has to go through the competitors pricing strategy and price for similar products to understand the market and act accordingly. To increase market share in China Hollister uses market penetration pricing strategy.

Place

Placement of the right product to the target market is another important part of marketing plan. The positioning and distribution of the product should be such that the potential buyer notices it and have easy access to it (Zikmund and D'Amico, 2012). The most well-organized positioning and distribution channels are discovered by Hollister after doing thorough research at its development center to directly connect with their market. Many distribution strategies are there from which Hollister chooses franchising stores and online website to deliver their products in China. Specifying geographic region or industry and how the product can be affected by the environment where is sold. Hollister specifies the market segment into teenagers, adults, families, business people, etc. and serves the teenagers and adults mostly. Because the concept was originally designed to attract consumers aged 14–18, at a lower price point than the parent brand. Hollister chooses a store and online selling from the distribution channels point-of-sale placement, retaining, online selling, etc.

Promotion

Promotion is the last but another most important element of the marketing mix. If product promotion is not done with proper market knowledge than all the previous three steps will result in vain for any marketer (Glanz, Bader and Iyer, 2010). Because if the potential buyer is not aware of the product than who are you approaching too. Promotion is comprised of advertising like television advertisements, radio commercials, print media, and internet advertisements. Public relation includes press releases, exhibitions, sponsorship deals, seminars, conferences, and events. Word of mouth is the informal but most effective and widespread product promotion. It is an informal communication about the benefits of the product by satisfied customers and ordinary individuals. The sales staff plays a very important role in public relations and word of mouth. Word of mouth can also circulate on the internet. Harnessed effectively and it has the potential to be one of the most valuable assets you have in boosting your profits online. An extremely good example of this is online social media. Hollister promotes their products and services through television advertisements and online social media.

Marketing Mix Strategies

Available Hollister’s approach

Product

- Demand and market required
- Differentiated or cost-effective products
- Quality products

- Hollister offers apparel, accessories and fragrances, and performs to the young generation of China. They reinvent and diversify their products to be always in trend in China.

Price

- Market penetration pricing
- Market skimming pricing
- Neutral pricing Hollister uses the market penetration pricing to price products at a low price to increase the market share in China rather making large profit margin at the beginning phase in China.

Place

- Intensive distribution
- Exclusive distribution
- Selective distribution
- Franchising Hollister reaches their customers through franchising stores and online website. China is a technologically well-developed country so the online website is the best option to promote Hollister's product in the market.

Promotion

- Sales Organization
- Public Relations
- Advertising
- Sales Promotion Hollister promotes its products by advertising and sales promotion in China.

Conclusion

Marketing is the core function of doing business both nationally and internationally. It conveys the producer's efforts to the consumer's doors and serves the purpose of doing business (Woodall, 2017). It creates a brand as well as makes it alive to the customers. Hollister being a large US-based company now wants to expand its business in China as China encourages foreign companies and offer high-tech support to them. Its prudential for a company to conduct a marketing plan prior it decidesto expand its business. Through the work, Hollister's marketing plan was discussed considering China as an expanding destination.

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