To: Professor Paterson

From: Jessica Lee

Date: 13 October 2019

Subject: How can Urban Outfitters better adapt to the Chinese market with the existence of other similar fashion brands.

Introduction:

Urban Outfitters (UO) is a lifestyle retail corporation that sells a wide range of assortment ranging from clothing, accessories, makeup, and even furniture. The brand officially entered mainland China with an online store in June 2018 with a limited selection of UO own brand items. Considering how other major fashion brands have been established in mainland for a while, UO needs to take certain actions that will help accelerate its growth and place UO right next to its competitors.

Statement of Problem:

As a major fashion brand abroad, UO has entered the Chinese market a lot later than other popular fashion brands (e.g. Zara, H&M, Bershka, Hollister) which is creating entry difficulties as well as bringing limited traffic to the brand. Currently, UO products are also priced above our competitors in the fast fashion industry, which is also a drawback for consumers.

Proposed Solution:

My proposed solution is to buy products from local brands that are popular within the mainland and have established themselves with local consumers to help gain traffic to the UO brand and

diversify its product range at the same time. For example, popular local brands such as SMFK or SVNDZ would be great collaborators. This not only becomes the factor that will help UO stand out, but also emphasizes the concept that UO is a "brand of brands", differentiating itself from the rest of the fast fashion competitors in the market.

Scope:

In order to breakdown the problem and understand the feasibility of my solution, I propose to address the following questions:

1. If the brand name is not already a well-known or established one, consumers may still show concern and hesitate during their purchase

2. Will these local brands direct enough traffic from their side to Urban Outfitters so that UO can be recognized?

3. What if the local brands are not willing to partner with UO due to concerns such as UO not being a big enough brand/company in the mainland?

4. Will consumers want to purchase the local brand's product from UO or directly from the local brand's store?

5. Will this be a factor that will attract the local population?

Methods:

I'll collect my primary data sources through the use of interviews with the senior management team of URBN China. The team, having been working in similar fashion and fast moving consumer goods (FMCG) industry, has great first-hand insights regarding the current problem and how the market will potentially react to the proposed solution. An analysis will then be drawn up according to the interviews, to see what other brands have done as they entered the Chinese "fast" fashion market as well as how certain local brands have done in the recent few years.

As for secondary resources, I will be looking into the different articles and newsletters that breaks down and analyzes the fashion industry currently in mainland China to gain a better understanding as to how and what can UO do in order to grasp a better foothold in the market.

My Qualifications:

I was the lead marketing intern at URBN China from April 2020 to September 2020 and am now a part-time marketing employee, directly working under the URBN China Head of Marketing. Working in the team has provided me with a large amount of insights which I am confident will be a useful input for drawing together the report. Additionally, I believe my previous marketing internships at Nike will also offer perspectives on how to market products and assist planning in market entry and increasing traffic on the Urban Outfitters brand.

Conclusion:

As UO enters the mainland market, difficulties arise as UO is not able to reach consumers like how its competitors have, to which I have created a proposal on buying from specific local brands that will increase traffic and ease UO into a market that is full of growth and potential. Carrying local brand's products will also allow UO to adapt to the local culture and taste. By following the questions and methods that I have listed above, I plan to begin my research and use the potential vulnerabilities as a guideline.